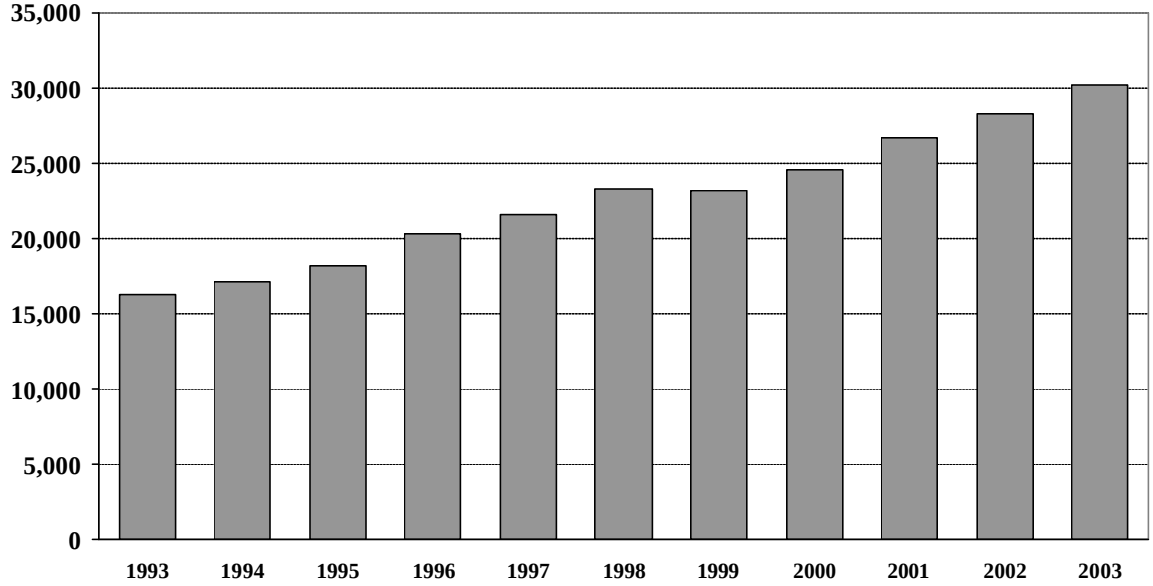
Idaho Economic Forecast

DIRK KEMPTHORNE, Governor **Division of Financial Management**

Vol. XXII, No. 4 **ISSN 8756-1840**
October 2000

- **Forecast 2000-2003**
- **Are We Saving Enough?**
- **Alternative Forecasts**

Idaho Electrical & Nonelectrical Employment



IDAHO ECONOMIC FORECAST 2000 - 2003

State of Idaho
DIRK KEMPTHORNE
Governor

Costs associated with this publication are available
from the Division of Financial Management
in accordance with Section 60-202, Idaho Code.

10-00/385/010200-180-4001

PREFACE

Idaho has entered its second century of statehood on solid economic ground. After nearly a decade of stop- and-start economic performance, the 1990s closed with a much-welcomed economic expansion. While not as sharp as the boom years of the 1970s, today's employment and income growth are exceptional in comparison to the 1980s. Much of the current expansion results from Idaho's successful adjustment (and sometimes difficult restructuring) of its key basic industries.

The State's traditional industries such as lumber and wood products, food processing, and mining—have become more competitive. The high-tech sector, which includes Hewlett-Packard, Zilog, and Micron Technology, has bucked recent national trends and undergone substantial expansion. In addition, the tourism and travel sectors have benefited from past investments in such projects as the Coeur d'Alene Resort, the convention centers in Boise and Nampa, and the Kellogg Gondola. Thus, the restructured Idaho economy is better positioned to exploit growth opportunities that will arise in this decade, and is expected to sustain solid growth well through the first decade of the new millennium.

A particularly satisfying aspect of the Gem State's passage into the 1990s is the much broader base of economic health in Idaho today. Tourism, high-tech manufacturing, and the commercial sectors are thriving. After persevering through hard times, more Idahoans are enjoying the benefits of the state's economic success on a wide geographical basis. Many of Idaho's rural communities that lagged urban growth rates during the 1980s have recently grown. And although nearly two-thirds of Idaho cities lost population during the previous decade, many are now rebounding.

While many changes are taking place today, other traditional factors still hold firm—most notably, Idaho's economy remains directly tied to its resource base. While displaying more resilience to downturns than in the past, these industries are not totally immune from business-cycle effects. This heavy dependency on natural resources will bring a host of challenges as Idaho enters the new century. These include competition among agriculture, fisheries, and expanding population needs for water and energy; the environmental impacts of the economically important mining, timber, agricultural, and tourism industries; and the many other pressures of an expanding population on the state's natural and fiscal resources.

Other factors that are external to the state's economy will present challenges this decade to public and private decision makers. Public policy decisions made in Washington, D.C. affect resource industry and federal installations such as the Idaho National Engineering and Environmental Laboratory near Idaho Falls and the Mountain Home Air Force Base. Finding balanced and acceptable solutions to endangered and threatened species issues and timber supply issues are of major economic significance.

In order to deal effectively with these challenges, public and private decisions need to be made with a thorough understanding of the structure of the state's economy. It is to this end that the *Idaho Economic Forecast* is directed.

Division of Financial Management
700 W. Jefferson, Room 122
P.O. Box 83720
Boise, Idaho 83720-0032
(208) 334-3900

Economic Analysis Bureau
Michael H. Ferguson, Chief Economist
Derek E. Santos, Economist

This page left blank intentionally.

INTRODUCTION

The national forecast presented in this publication is the September 2000 Standard and Poor's DRI baseline forecast of the U.S. economy. The July 2000 *Idaho Economic Forecast* is based on the June 2000 DRI national forecast.

The path of Idaho electrical and nonelectrical manufacturing employment is shown in this *Forecast's* cover chart. Now the state's largest manufacturing employer, this sector is forecast to be one of the state's strongest job growth engines over the next few years.

FEATURE

Got savings? This play on the ubiquitous milk commercial is a timely question because the U.S. personal savings rate recently went negative and the first wave of baby boomers is rapidly approaching retirement. It is also the subject of the feature article. In his article entitled "Are We Saving Enough," Jagadeesh Gokhale analyzes households' motivations to save and discusses the role that saving plays in improving living standards. Finally, it explores how much those about to retire might need to save to adequately prepare for retirement. Dr. Gokhale is an economic advisor in the Research Department of the Federal Reserve Bank of Cleveland.

THE FORECAST

Alternative assumptions concerning future movements of key economic variables can lead to major variations in national and/or regional outlooks. DRI examines the effects of different economic scenarios, including the potential impacts of international recessions, higher inflation, and future Federal Reserve Board decisions. Alternative Idaho economic forecasts were developed under different policy and growth scenarios at the national level. These forecasts are described in the text.

Historical and forecast data for Idaho and the U.S. are presented in the tables in the middle section of this report. Detail is provided for every year from 1984 to 2003 and for every quarter from 1998 through 2003. The solution of the Idaho Economic Model for this forecast begins with the second quarter of 2000.

Descriptions of the DRI U.S. Macroeconomic Model and the Idaho Economic Model are provided in the Appendix. Equations of the Idaho Economic Model and variable definitions are listed in the last pages of this publication.

CHANGES

The employment data that appear in this publication are based on monthly estimates provided by the Idaho Department of Labor. The current job numbers extend through the second quarter of 2000. The estimates through this year's first quarter have been benchmarked. The estimates for April, May, and June of 2000 are preliminary. All of these data have been adjusted and converted into quarterly estimates by the Division of Financial Management (DFM).

In the July 2000 Idaho Economic Forecast it was predicted that Idaho nonfarm employment would advance at a 5.8% annual rate in the first quarter of 2000. The final data for this quarter shows this

projection was slightly optimistic. Idaho nonfarm employment rose 4.1% in the first quarter of 2000. Looked at another way, actual employment was about 2,400 (0.44%) lower than had been anticipated.
The tables in this forecast include the U.S. Department of Commerce's Bureau of Economic Analysis (BEA) estimates of Idaho quarterly personal income through the first quarter of 2000. The BEA will release its next round of Idaho personal income estimates in late October 2000. With this release, the estimates will run through the second quarter of 2000.

Earlier this fall, a new version of DRI's national economic model was released. Significant data changes to this model included the rebasing of several series and the addition of new variables and deletion of several older variables. As can be seen in the tables of this forecast, all of the chain-weighted implicit deflators now have a 1996 base year. Previously, 1992 was the base year. Probably the most noticeable impacts of these changes are on real GDP, real personal income, and real per capita income. In addition, a 1996 base has also been adopted for all of the industrial production indices.

The entire Idaho Economic Model (IEM) was reviewed this fall. Given the changes in the underlying national economic data, all of the model's equations were reviewed and reestimated. A detailed listing of the revised IEM equations, as well as a description of all exogenous and endogenous variables, can be found at the end of this *Forecast*.

The *Idaho Economic Forecast* is available on the Internet at http://www.state.id.us/dfm/econinfo.htm. Readers with any questions should contact Derek Santos at (208) 334-3900 or at dsantos@dfm.state.id.us.

SUBSCRIPTIONS

You can access the *Idaho Economic Forecast* for free at http://www2.state.id.us/dfm/econinfo.htm.

Hardcopy subscription rates for the *Idaho Economic Forecast*, which is published four times a year, are as follows:

Idaho State Government	No Charge
Idaho Resident	$10.00 per year
Non-Idaho Resident	$20.00 per year

To subscribe, send the following information and appropriate payment to:

Idaho Economic Forecast
Division of Financial Management
700 W. Jefferson, Room 122
P.O. Box 83720
Boise, Idaho 83720-0032

NAME _____

ORGANIZATION _____

MAILING ADDRESS _____

_____

CITY _____

STATE _____

ZIP CODE _____

Subscriber Category
- Idaho State Government _____
- Idaho Resident _____
- Non-Idaho Resident _____

Enclosed is payment of$ _____ for _____ years.

EXECUTIVE SUMMARY

This year Idaho's economy is expected to repeat last year's surprisingly strong showing. In 1999, Idaho nonfarm employment expanded by a healthy 3.4%. This was over twice as fast as had been previously anticipated. With half of a year's data already in the can, Idaho nonfarm employment is on track to grow by 3.4% in 2000. As has been the case in the past, the state's huge services-producing sector will contribute the lion's share of this growth. However, employment will also be boosted this year by the high-flying technology sector. Indeed, this sector's employment should expand 8.4% in 2000, which is more than twice as fast as overall nonfarm job growth. In calendar year 2000, Idaho personal income growth is projected to slow to 6.8% because of lower wage gains and an anticipated drop-off in farm proprietors' income.

While it is expected to remain healthy, Idaho's economic growth is forecast to slow after this year. For example, Idaho nonfarm employment should expand 2.7% in 2001 and 2.4% in both 2002 and 2003. Idaho nominal personal income is forecast to rise 7.0% in 2001, 6.2% in 2002, and 6.3% in 2003. The Gem State's population, which had grown by 1.7% in 1999, will see its growth drop to 1.2% in 2003. Idaho housing starts should peak at nearly 10,600 units in 2000, then hover near 10,000 units over the remainder of the forecast. In summary, there is no national recession anticipated over the forecast horizon, and Idaho's economy should continue expanding over the next few years.

Recent evidence suggests that the U.S. economy is enjoying robust health as the ongoing expansion closes in on its tenth anniversary. Real GDP increased at a 5.6% annual rate in the second quarter of 2000. It will also be the fourth straight year that real economic output rose by at least 4.0%. Real GDP grew strongly during the first half of this year, but showed some signs of slowing in the third quarter. Housing weakened earlier in the year, but began to recover as mortgage interest rates dropped this summer. It is likely the Federal Reserve is done tightening for this year. On an annual basis, it is projected that real GDP will advance 5.2% for all of 2000, its best showing since 1984. Overall, the U.S. economy shows few signs of the imbalances that would end this expansion. The current forecast calls for continuing growth, but at a slower pace, for the next few years. Eventually, an outside shock or policy mistake will cause a recession, but this triggering event has not yet occurred.

IDAHO ECONOMIC FORECAST

EXECUTIVE SUMMARY

OCTOBER 2000

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
GDP (BILLIONS)										
Current $	7,054	7,401	7,813	8,318	8,790	9,299	10,002	10,599	11,237	11,979
% Ch	*6.2%*	*4.9%*	*5.6%*	*6.5%*	*5.7%*	*5.8%*	*7.6%*	*6.0%*	*6.0%*	*6.6%*
1996 Chain-Weighted	7,348	7,544	7,813	8,159	8,516	8,876	9,337	9,671	10,078	10,551
% Ch	*4.0%*	*2.7%*	*3.6%*	*4.4%*	*4.4%*	*4.2%*	*5.2%*	*3.6%*	*4.2%*	*4.7%*
PERSONAL INCOME - CURR $										
Idaho (Millions)	21,399	22,869	24,174	25,440	27,177	29,386	31,371	33,568	35,649	37,895
% Ch	*6.4%*	*6.9%*	*5.7%*	*5.2%*	*6.8%*	*8.1%*	*6.8%*	*7.0%*	*6.2%*	*6.3%*
Idaho Nonfarm (Millions)	20,706	22,073	23,298	24,791	26,310	28,215	30,292	32,415	34,492	36,723
% Ch	*8.7%*	*6.6%*	*5.6%*	*6.4%*	*6.1%*	*7.2%*	*7.4%*	*7.0%*	*6.4%*	*6.5%*
U.S. (Billions)	5,888	6,201	6,547	6,937	7,391	7,790	8,287	8,791	9,283	9,850
% Ch	*5.0%*	*5.3%*	*5.6%*	*6.0%*	*6.5%*	*5.4%*	*6.4%*	*6.1%*	*5.6%*	*6.1%*
PERSONAL INCOME - 1996 $										
Idaho (Millions)	22,357	23,359	24,172	24,954	26,376	28,025	29,175	30,617	31,995	33,401
% Ch	*4.3%*	*4.5%*	*3.5%*	*3.2%*	*5.7%*	*6.3%*	*4.1%*	*4.9%*	*4.5%*	*4.4%*
Idaho Nonfarm (Millions)	21,632	22,545	23,297	24,318	25,534	26,908	28,172	29,566	30,956	32,368
% Ch	*6.6%*	*4.2%*	*3.3%*	*4.4%*	*5.0%*	*5.4%*	*4.7%*	*4.9%*	*4.7%*	*4.6%*
U.S. (Billions)	6,152	6,334	6,547	6,805	7,173	7,430	7,708	8,019	8,332	8,682
% Ch	*2.9%*	*3.0%*	*3.4%*	*3.9%*	*5.4%*	*3.6%*	*3.7%*	*4.0%*	*3.9%*	*4.2%*
HOUSING STARTS										
Idaho	12,768	9,361	9,227	8,860	10,129	10,336	10,565	9,928	9,948	9,965
% Ch	*11.5%*	*-26.7%*	*-1.4%*	*-4.0%*	*14.3%*	*2.0%*	*2.2%*	*-6.0%*	*0.2%*	*0.2%*
U.S. (Millions)	1.446	1.361	1.469	1.475	1.621	1.676	1.618	1.619	1.660	1.729
% Ch	*12.0%*	*-5.9%*	*7.9%*	*0.4%*	*9.9%*	*3.4%*	*-3.4%*	*0.0%*	*2.5%*	*4.2%*
TOTAL NONFARM EMPLOYMENT										
Idaho (Thousands)	461.2	477.4	492.6	508.7	521.5	539.1	557.3	572.3	586.1	600.4
% Ch	*5.6%*	*3.5%*	*3.2%*	*3.3%*	*2.5%*	*3.4%*	*3.4%*	*2.7%*	*2.4%*	*2.4%*
U.S. (Millions)	114.1	117.2	119.6	122.7	125.8	128.8	131.4	132.7	134.3	136.7
% Ch	*3.1%*	*2.7%*	*2.1%*	*2.6%*	*2.6%*	*2.3%*	*2.1%*	*1.0%*	*1.2%*	*1.8%*
SELECTED INTEREST RATES										
Federal Funds	*4.2%*	*5.8%*	*5.3%*	*5.5%*	*5.4%*	*5.0%*	*6.2%*	*6.4%*	*6.1%*	*6.0%*
Bank Prime	*7.1%*	*8.8%*	*8.3%*	*8.4%*	*8.4%*	*8.0%*	*9.2%*	*9.4%*	*8.9%*	*8.3%*
Existing Home Mortgage	*7.5%*	*7.8%*	*7.7%*	*7.7%*	*7.1%*	*7.3%*	*8.0%*	*7.5%*	*7.1%*	*6.9%*
INFLATION										
GDP Price Deflator	*2.1%*	*2.2%*	*1.9%*	*1.9%*	*1.3%*	*1.5%*	*2.3%*	*2.3%*	*1.7%*	*1.8%*
Personal Cons Deflator	*2.0%*	*2.3%*	*2.1%*	*1.9%*	*1.1%*	*1.8%*	*2.5%*	*2.0%*	*1.6%*	*1.8%*
Consumer Price Index	*2.6%*	*2.8%*	*2.9%*	*2.3%*	*1.6%*	*2.2%*	*3.3%*	*2.2%*	*1.7%*	*1.9%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

IDAHO ECONOMIC FORECAST

EXECUTIVE SUMMARY

OCTOBER 2000

	2000				2001				2002			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GDP (BILLIONS)												
Current $	9,753	9,943	10,075	10,237	10,385	10,526	10,665	10,818	10,983	11,140	11,319	11,505
% Ch	*8.3%*	*8.0%*	*5.4%*	*6.6%*	*5.9%*	*5.5%*	*5.4%*	*5.8%*	*6.3%*	*5.8%*	*6.6%*	*6.7%*
1996 Chain-Weighted	9,192	9,312	9,377	9,467	9,550	9,625	9,707	9,804	9,910	10,013	10,133	10,257
% Ch	*4.8%*	*5.3%*	*2.9%*	*3.9%*	*3.6%*	*3.2%*	*3.5%*	*4.0%*	*4.4%*	*4.2%*	*4.9%*	*5.0%*
PERSONAL INCOME - CURR $												
Idaho (Millions)	30,574	31,160	31,597	32,154	32,803	33,337	33,805	34,325	34,894	35,404	35,882	36,417
% Ch	*5.3%*	*7.9%*	*5.7%*	*7.2%*	*8.3%*	*6.7%*	*5.7%*	*6.3%*	*6.8%*	*6.0%*	*5.5%*	*6.1%*
Idaho Nonfarm (Millions)	29,545	30,067	30,509	31,045	31,657	32,192	32,648	33,164	33,709	34,234	34,734	35,293
% Ch	*7.5%*	*7.3%*	*6.0%*	*7.2%*	*8.1%*	*6.9%*	*5.8%*	*6.5%*	*6.7%*	*6.4%*	*6.0%*	*6.6%*
U.S. (Billions)	8,106	8,234	8,340	8,470	8,619	8,738	8,845	8,960	9,094	9,218	9,341	9,480
% Ch	*6.9%*	*6.5%*	*5.3%*	*6.4%*	*7.2%*	*5.6%*	*5.0%*	*5.3%*	*6.1%*	*5.6%*	*5.4%*	*6.1%*
PERSONAL INCOME - 1996 $												
Idaho (Millions)	28,686	29,071	29,304	29,641	30,112	30,467	30,772	31,118	31,511	31,846	32,142	32,480
% Ch	*1.8%*	*5.5%*	*3.2%*	*4.7%*	*6.5%*	*4.8%*	*4.1%*	*4.6%*	*5.1%*	*4.3%*	*3.8%*	*4.3%*
Idaho Nonfarm (Millions)	27,721	28,052	28,295	28,619	29,060	29,420	29,718	30,065	30,441	30,793	31,114	31,477
% Ch	*3.8%*	*4.9%*	*3.5%*	*4.7%*	*6.3%*	*5.1%*	*4.1%*	*4.7%*	*5.1%*	*4.7%*	*4.2%*	*4.8%*
U.S. (Billions)	7,606	7,683	7,735	7,808	7,913	7,986	8,052	8,124	8,212	8,292	8,368	8,456
% Ch	*3.3%*	*4.1%*	*2.7%*	*3.9%*	*5.4%*	*3.8%*	*3.3%*	*3.6%*	*4.4%*	*3.9%*	*3.7%*	*4.3%*
HOUSING STARTS												
Idaho	11,651	10,624	10,110	9,873	9,935	9,956	9,914	9,906	9,919	9,938	9,972	9,965
% Ch	*60.4%*	*-30.9%*	*-18.0%*	*-9.1%*	*2.5%*	*0.9%*	*-1.7%*	*-0.3%*	*0.5%*	*0.8%*	*1.4%*	*-0.3%*
U.S. (Millions)	1.732	1.602	1.546	1.594	1.610	1.621	1.616	1.631	1.637	1.646	1.667	1.688
% Ch	*10.5%*	*-26.8%*	*-13.3%*	*12.9%*	*4.2%*	*2.7%*	*-1.2%*	*3.7%*	*1.6%*	*2.3%*	*5.0%*	*5.2%*
TOTAL NONFARM EMPLOYMENT												
Idaho (Thousands)	551.3	556.4	559.0	562.6	566.9	571.1	573.9	577.5	580.8	584.3	587.8	591.4
% Ch	*4.1%*	*3.7%*	*1.9%*	*2.6%*	*3.1%*	*3.0%*	*2.0%*	*2.5%*	*2.3%*	*2.4%*	*2.4%*	*2.4%*
U.S. (Millions)	130.6	131.5	131.6	132.0	132.3	132.6	132.9	133.2	133.5	134.0	134.5	135.1
% Ch	*2.6%*	*2.8%*	*0.1%*	*1.2%*	*0.9%*	*0.9%*	*0.8%*	*0.9%*	*1.1%*	*1.3%*	*1.6%*	*1.8%*
SELECTED INTEREST RATES												
Federal Funds	*5.7%*	*6.3%*	*6.5%*	*6.5%*	*6.5%*	*6.5%*	*6.5%*	*6.3%*	*6.3%*	*6.1%*	*6.0%*	*6.0%*
Bank Prime	*8.7%*	*9.2%*	*9.5%*	*9.5%*	*9.5%*	*9.5%*	*9.5%*	*9.3%*	*9.3%*	*9.1%*	*8.8%*	*8.5%*
Existing Home Mortgage	*8.0%*	*8.2%*	*8.0%*	*7.8%*	*7.6%*	*7.6%*	*7.5%*	*7.4%*	*7.3%*	*7.1%*	*7.0%*	*7.0%*
INFLATION												
GDP Price Deflator	*3.3%*	*2.6%*	*2.2%*	*2.6%*	*2.3%*	*2.3%*	*1.9%*	*1.7%*	*1.8%*	*1.5%*	*1.6%*	*1.7%*
Personal Cons Deflator	*3.5%*	*2.3%*	*2.4%*	*2.4%*	*1.7%*	*1.8%*	*1.6%*	*1.6%*	*1.6%*	*1.6%*	*1.7%*	*1.8%*
Consumer Price Index	*4.0%*	*3.6%*	*3.0%*	*2.6%*	*1.9%*	*1.9%*	*1.7%*	*1.7%*	*1.6%*	*1.6%*	*1.7%*	*1.8%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

NATIONAL FORECAST DESCRIPTION
The Forecast Period is the Second Quarter of 2000 to the Fourth Quarter of 2003

Recent evidence suggests that the U.S. economy is enjoying robust health as the ongoing expansion closes in on its tenth anniversary. Real GDP increased at a 5.6% annual rate in the second quarter of 2000. On an annual basis, it is projected that real GDP will advance 5.2% for all of 2000—its best showing since 1984. It will also be the fourth straight year real economic output rose by at least 4.0%. The strong economy has stretched the labor pool to its limits. The national civilian employment rate has fallen from 7.5% in 1992 to around 4.0% currently, and the economy has been at or above full employment since 1997. Despite the tightest labor market in decades, inflation has been tame. Usually, wages rise in tight labor markets, eventually causing overall prices to heat up. There are several reasons why this has not happened. First, health care benefits have not taken off as expected. This is because employers moved from traditional health providers to lower-cost health maintenance organizations and preferred-provider options. Second, because of the low inflation, workers' wages go further, keeping wage inflation from taking off. Third, huge productivity gains have helped keep production costs down.

Of course, the economy cannot continue at this torrid pace without running out of labor. This would create imbalances that would threaten further growth. The Federal Reserve is keenly aware of this and has raised interest rates six times, by a total of 175 basis points, in order to head off inflation. Currently, it is unclear how much effect this policy has had. Real GDP grew strongly during the first half of this year, but showed some signs of slowing in the third quarter. Housing weakened earlier this year, but began to recover as mortgage interest rates dropped this summer. It is likely the Federal Reserve is done tightening for this year. The central bank realizes it takes about one year to see the effects of its actions, so it is waiting to see how effective its policy has been. Second, the strong economy and low inflation has provided a larger margin of error than the Federal Reserve usually has to work with, providing more room to recover from policy errors. Third, the Federal Reserve is usually reluctant to make any policy changes this close to a presidential election.

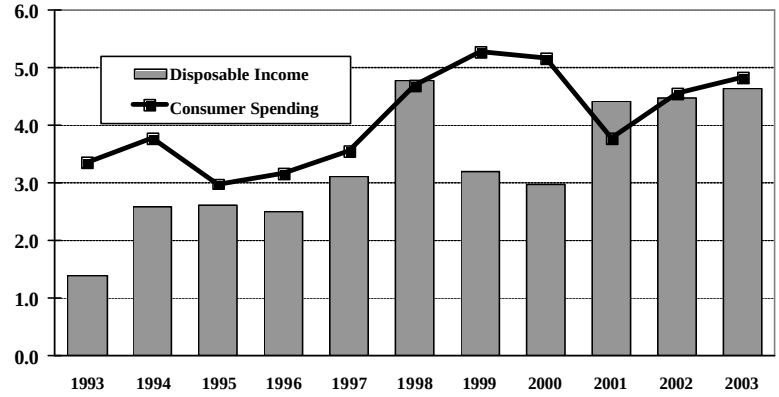
This does not imply smooth sailing for the Federal Reserve; the future will have its share of challenges. Perhaps the biggest is the increased uncertainty in which it will have to set policy. The problem is recent experience has changed the rules. Previously, it was felt the economy could grow between 2.5% and 3.0% without creating any imbalances. As pointed out above, it has grown by over 4.0% since 1997 without creating any problems. Thus, it is logical to assume there is more headroom in the economy, but it is not clear how much. Most current estimates assume potential real GDP growth is between 3.5% and 4.0%. This is a significant increase. While this may be a small, absolute change in the growth rate, it is a huge difference in the speed of growth. For example, the difference between 3.5% and 2.5% is just 100 basis points. However, at 3.5%, real GDP is growing 40.0% faster than at 2.5%. The Federal Reserve now finds itself looking at a pegged speedometer while attempting to determine a safe speed for the economy. Deciding when to hit the brakes is a little more challenging.

Overall, the U.S. economy shows few signs of the imbalances that would end this expansion. The current forecast calls for continuing growth, but at a slower pace, for the next few years. Eventually, an outside shock or policy mistake will cause a recession, but this triggering event has not yet occurred.

SELECTED NATIONAL ECONOMIC INDICATORS

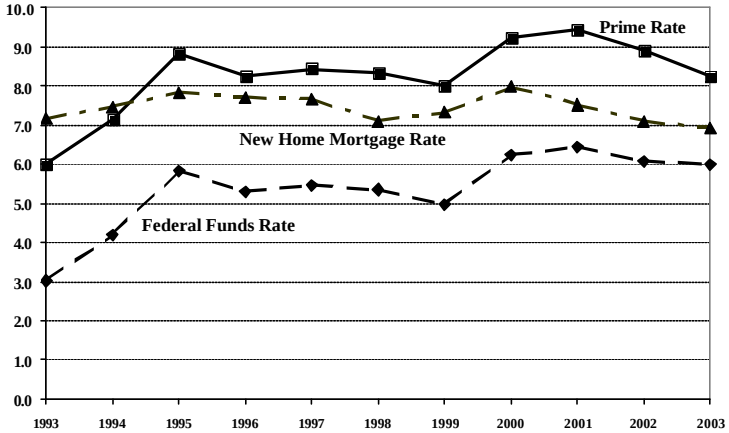
Consumer Spending: A look at several factors suggests the "best of times" consumers have enjoyed over the last few years are over. Still, the next few years promise to be "pretty good times." Real consumer spending growth is expected to slow over the forecast period, but not as much as current conditions would usually indicate. A surging stock market, low energy prices, a strong job market, and low interest rates combined to lift consumer confidence. Acting on their increased sense of economic well-being, consumers went on a spending spree where spending easily rose faster than disposable income. Consumers remain remarkably upbeat despite a cooling in the factors that have brought about recent prosperity. These factors include slower income growth, a flat stock market, and rising gasoline prices. The latter has touched the most Americans. As a result, consumers bought 1.5% less gasoline in the first half of this year than in the same period of 1999. However, because of higher prices, they actually spent about $40 billion more for this reduced amount compared to last year. Surveys show consumers view the surge in gasoline prices to be temporary, so increases have not eroded confidence significantly. However, prolonged increases could sour consumers' dispositions, turning consumer confidence south. Real consumer spending is forecast to rise 5.2% this year, 3.8% next year, 4.6% in 2002, and 4.8% in 2003. In order to finance spending, consumers have increasingly turned to credit and savings. As a result, over the past two years, non-mortgage consumer credit has increased from 20% to 21% of disposable income. This is up from around 18% as recently as 1998. The decline in the savings rate is even more drastic. The personal savings rate dipped into negative territory in July 2000, hitting an all-time low of -0.2%. This begs the question: Why is savings so low? The answer is Americans have become wealthier over the past few years. In fact, rising stock prices has sent wealth to record levels. The average U.S. household now has an average net worth of $360,000. This is more than six times average household earnings. The bottom line is the stock market has been doing the saving for Americans. Recent research supports the conclusion that rising wealth has caused the savings rate to ebb. However, the exact relationship between wealth and savings has yet to be quantified.

Real Spending & Real Income Growth



Source: Standard and Poor's DRI

Selected Interest Rates

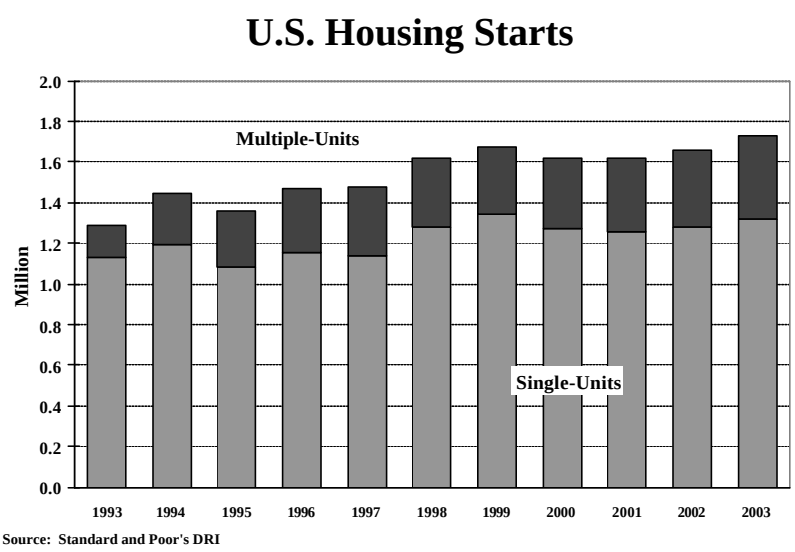


Source: Standard and Poor's DRI

Financial: The Federal Reserve passed on its most-recent chance to raise interest rates during its October 3, 2000 meeting. This sets the tone for the near future; the nation's central bank is not expected to raise its bellwether federal funds rate this year. Instead, the Federal Reserve will probably wait and see if the economy downshifts in the second half of this year. Some signs are already visible. The federal funds rate is currently 175 basis points above last spring's low of 4.75%. Since it usually takes 12 to 18 months to feel the impact of a Federal Reserve policy action, the recent weaknesses in

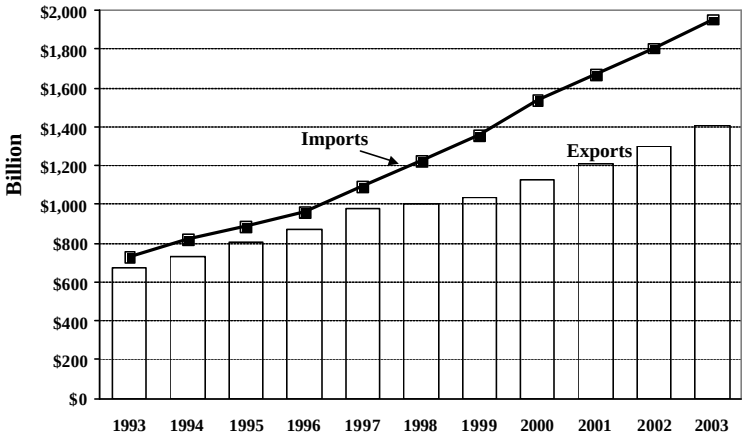
housing and employment suggest past interest rate increases are having their intended results. There are several other reasons why the Federal Reserve is not likely to increase rates soon. First, despite the recent run-up in energy prices, inflation remains low. Thus, it is hard to justify a rate increase based on inflation. The low inflation also contributes to the second reason for the outlook of stable interest rates. Nominal interest rates are fairly low, but real short-term interest rates are high. The last time real interest rates were this high was in 1989. Third, the Federal Reserve traditionally avoids taking policy actions this close to a presidential election. Not only is the Federal Reserve likely to avoid further tightening; there is a high probability that its next move will be to lower rates. However, such a move is not expected until the middle of next year, as the Federal Reserve will not loosen until it is comfortable that there is no need to tighten further. It wants to avoid bouncing back and forth between tightening and loosening because this confuses markets. Should all go as planned, the nation's central bank should successfully execute an unprecedented second soft landing during this expansion. Factors favoring this outcome include the extra altitude provided by the high-flying economy, the lack of inflation turbulence, and good visibility with few obstacles in sight.

Housing: The U.S. housing market has been remarkably resilient in the face of higher mortgage rates and rising housing prices. Housing is the least affordable it has been since 1992. Perhaps the reason the housing sector has not seen a significant decline is because, even at recent peak, mortgage interest rates were relatively low. At its summit of 8.64% in this year's second quarter, the conventional 30-year commitment rate compared favorably with the 9.25% rate recorded during the previous monetary tightening episode in 1994. Another reason is home buyers know they can refinance once mortgage rates retreat, and fear that the price of a house will only rise further if they delay purchase. Recently, mortgage rates have slipped back below 8.0%, which should help stabilize the market. Indeed, the proportion of individuals believing this is a good time to buy a house has been rising. The housing market is just one of the beneficiaries of the federal government surplus. The gradual shrinkage of the supply of long-dated Treasury securities has pushed investors in need of highly liquid, low risk securities to issues of Fannie Mae and Freddie Mac. Both institutions have responded by announcing auction calendars for benchmark issues of plain vanilla coupon bonds with standard maturities. For these issues to have sufficient volume, Fannie and Freddie will have to hold a larger volume of mortgages than before. That probably means they will try to extend more mortgages. Thus, there will be no shortage of funds flowing into the mortgage market. In fact, competition between the two to become the more recognized provider of benchmarks should boost the volume of affordable funds. Single–family housing starts are expected to decline modestly in 2001, but then turn back up as the Federal Reserve starts to lower interest rate towards the end of next year. The availability of mortgage money, the ongoing demand for second homes, and the shortage of houses in some high-growth regions should prevent a more severe downturn. Specifically, total U.S. housing starts are expected to be 1.62 million units in 2000, 1.62 million units in 2001, 1.66 million units in 2002, and 1.73 million units in 2003.



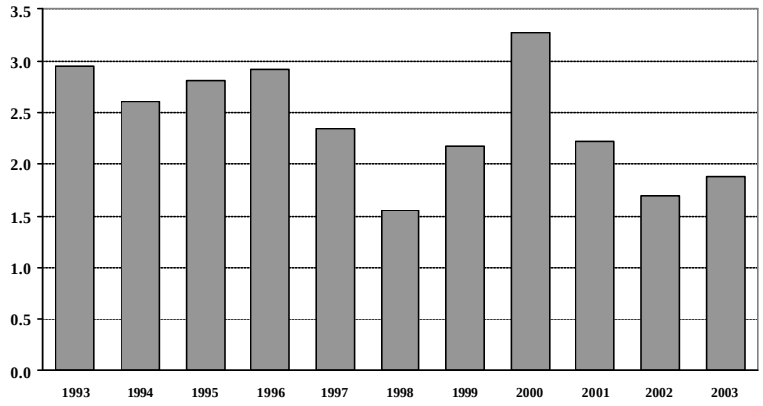
International: The current-account trade deficit is projected to deteriorate over the forecast period. This outlook reflects two fundamental factors: the growth of the U.S. economy relative to the other economies of the world, and exchange rates. Both have contributed to the current account ballooning from under $50 billion in 1992 to over an estimated $430 billion in 2000. For most of this period, the U.S. economy has grown faster than those of other industrialized countries. The stronger domestic market has been very attractive to imports. The strong dollar has also tipped the trade balance in favor of exports. In order for exports to recover, and the current-account deficit to shrink, the economies of America's trade partners need to pick up significant speed. Unfortunately, this seems unlikely. For example, Japan's economy has not yet commenced a sustained recovery from its current economic doldrums. Data from the first half of the year show some positive momentum from repeated bouts of fiscal stimulus and encouraging fundamentals in the electronics, transport, and communications sectors. Nonetheless, Japan's recovery hinges on a rejuvenation of the consumer sector, which has not demonstrated a convincing rebound so far. This seems unlikely because income increases are likely to be weighed down by the corporate efforts to streamline jobs and reduce payrolls. Other factors also point to Japan's economy languishing. They include its huge fiscal overhang, residual overcapacity in manufacturing, unfavorable demographics, and an uncompetitive services sector. The strong dollar also presents a challenge for future export growth. After recovering in June 2000, the euro continued to slump in early September to nearly 20% below its level one year ago and about 25% below its early 1999 peak. At the request of the European Central Bank, the G-7 nations intervened to halt the euro's tailspin. This coordinated effort prompted a significant rally that boosted the euro's value to about $0.90. It has since settled slightly below that level. The current forecast assumes the spread between U.S. and EU interest rates will narrow, due to tightening by the European Central Bank. This should put legs under the battered European currency, and help regain the ground lost this summer. The euro should trade at near parity with the dollar next spring, as the European Central Bank out-tightens the Federal Reserve. The U.S. current-account deficit is forecast to be $434.4 billion in 2000, $474.0 billion in 2001, $528.0 billion in 2002, and $583.7 billion in 2003.

Real U.S. Imports and Exports



Source: Standard & Poor's DRI

Consumer Price Inflation



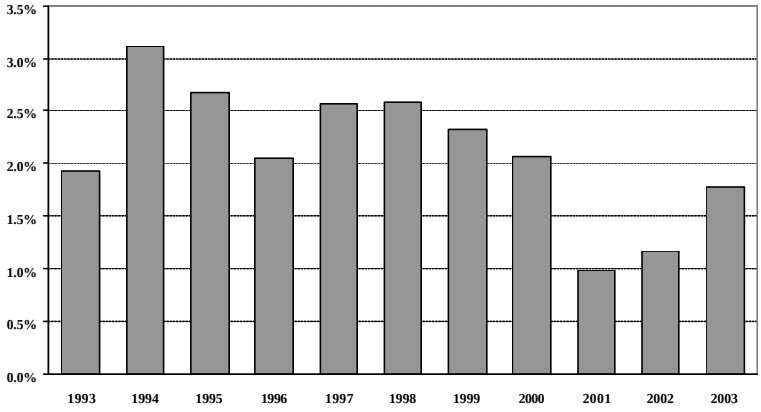
Source: Standard and Poor's DRI

Inflation: Two years of gradually accelerating inflation should come to an end late this year, as energy prices peak and then began to moderate. Over the last couple of years, consumer price inflation has risen from 1.6% to 3.3%. The acceleration has come almost entirely from energy; excluding food and energy, inflation has held between 2.0% and 2.5%. So far, there is no evidence the large energy price increases are filtering through to other parts of the economy. Core inflation has remained tame because supply has been able to

keep up with the rising demand. Prices have been held in check thanks to the near-stability of non-energy commodity prices. This stability has largely offset the large price increases for pharmaceuticals and tobacco products. Of course, there are exceptions to the rule. Most notably, housing and medical care costs have been rising relatively rapidly. The jump in housing prices reflects a shortage of homes in the nation's hottest real estate markets. After falling below 3.0% in 1997, inflation in medical services is currently running around 5.0%. The slowing economy should provide some relief from inflation next year, but medical care costs should continue to outpace the overall consumer price index, as consumers demand greater choices of doctors and treatments. The one threat that has failed to fan inflationary embers has been wages. This is an especially serious concern given the current tight labor market. As the labor market has tightened, wage increases have indeed accelerated, from about 3.0% five years ago to 4.5% currently. However, the impacts of these increases have largely been offset by rising productivity. In the near future, productivity is expected to continue to defuse wage-related inflationary pressures. Wages are expected to rise 4%-5% annually. Over the same period, productivity gains should fluctuate in the 3%-4% range. Thus, the projected wage increases can easily be accommodated within the anticipated core inflation of 2.0%-2.5% for the next few years. Overall consumer inflation is forecast to be 3.3% this year, 2.2% next year, 1.7% in 2002, and 1.9% in 2003.

Employment: The white-hot employment picture has been cooling lately. The U.S. Bureau of Labor Statistics reported that total nonfarm employment declined in both July and August. While the 105,000-drop in payrolls was due mainly to reductions in the number of temporary census workers, there has been a marked slowdown in the rate of private nonfarm employment growth. After increasing by 0.2% in June 2000, private nonfarm employment rose by a meager 0.1% in July and was flat in August. Some of this week performance is attributable to the Verizon strike. However, after accounting for the strike, the economy would have added just 102,000 persons to payrolls, which is significantly below the 186,000 average for the first half of 2000. This cooling trend is forecast to continue. The number of nonfarm jobs is expected to increase 135,000 in the last quarter of this year. In 2001, it is anticipated that monthly gains will average a mere 72,000 jobs. As the company pulls out of its soft landing, nonfarm growth should reaccelerate. Specifically, U.S. nonfarm employment is predicted to rise 2.1% in 2000, 1.0% in 2001, 1.2% in 2002, and 1.8% in 2003. Although the job creation pace over the next few years is not anticipated to reach the level it reached during the second half of the 1990s, labor markets are not expected to ease significantly. Indeed, the unemployment should hover near 4.0%—which is well below the estimated unemployment rate that is consistent with full employment.

U.S. Nonfarm Employment Growth



Source: Standard and Poor's DRI

IDAHO FORECAST DESCRIPTION
The Forecast Period is the Second Quarter of 2000 to the Fourth Quarter of 2003

This year, Idaho's economy is expected to repeat last year's surprisingly strong showing. In 1999, Idaho nonfarm employment expanded by a healthy 3.4%—more than twice as fast as had been previously anticipated. With a half a year's data already in the can, Idaho nonfarm employment is on track to grow by 3.4% in 2000. As has been the case in the past, the state's huge services-producing sector will contribute the lion's share of this growth. However, employment will also be boosted this year by the high-flying technology sector. Indeed, this sector's employment should expand 8.4% in 2000, which is more than twice as fast as overall nonfarm job growth.

Idaho personal income was up 8.1% in 1999—its strongest showing since 1993. After adjusting for inflation, Idaho total personal income increased 6.3% in 1999. A major contributor to the growth was the 8.6% surge in wages and salaries. It is believed that this component was boosted by bonus payments in 1999. These bonuses, as well as realized capital gains, helped Idaho individual income tax collections to grow 14.1% in the state's fiscal year 2000. In calendar year 2000, Idaho personal income growth is projected to slow to 6.8% because of lower wage gains and an anticipated drop off in farm proprietors' income. The impact of the latter is significant. When the impacts of the decline of farm proprietors' income and farm wages are removed from personal income, nonfarm personal income rises 7.4% in 2000, which is faster than total personal income growth in 2000.

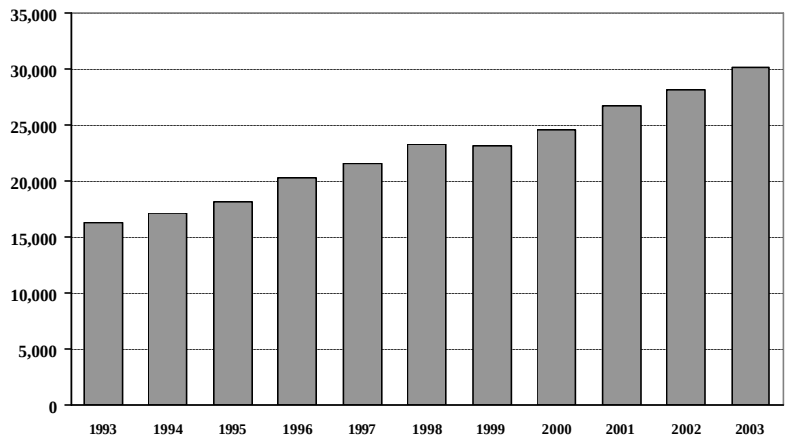
While it is expected to remain healthy, Idaho's economic growth is forecast to slow after this year. For example, Idaho nonfarm employment should expand 2.7% in 2001 and 2.4% in both 2002 and 2003. Idaho nominal personal income is forecast to rise 7.0% in 2001, 6.2% in 2002, and 6.3% in 2003. This pattern is apparent even when adjusting for inflation. Specifically, real Idaho personal income growth tapers down from 4.9% in 2001 to 4.5% in 2002, and to 4.4% in 2003. Other indicators also point to continued, but slowing, growth. The Gem State's population, which had grown by 1.7% in 1999, will see its growth drop to 1.2% in 2003. Idaho housing starts should peak at nearly 10,600 units in 2000, then hover near 10,000 units over the remainder of the forecast. In summary, there is no national recession anticipated over the forecast horizon, and Idaho's economy should continue expanding over the next few years.

Of course, some sectors will grow slower than the state's overall average, while some will grow faster. Idaho's lumber and wood processing sector was once the state's largest durable goods manufacturing employer. However, this sector has fallen on hard times, and its employment is expected to shrink over the forecast period. The Idaho Department of Labor estimates that over 1,500 employees have been affected by mill closures or curtailments from May 2000 to September 2000.

Other sectors have prospered in the state's dynamic economy. A rash of recent announcements by local high-tech companies could add another 1,200 jobs to payrolls. A new player in the state, call centers, has also grown rapidly. According to Idaho Department of Labor estimates, call centers employed 10,600 persons in July 2000. One of the most pleasing aspects of this growth is how diverse this growth has been. The GTE order-processing center is in North Idaho, the Carlson Leisure Group call center is in the Treasure Valley, and Convergys Call Center is in Bannock County. Recently, Alaska Air announced plans to open a call center in Boise that will employ 200. Tele-Servicing Innovations will open a call center in Burley that will employ 100 persons.

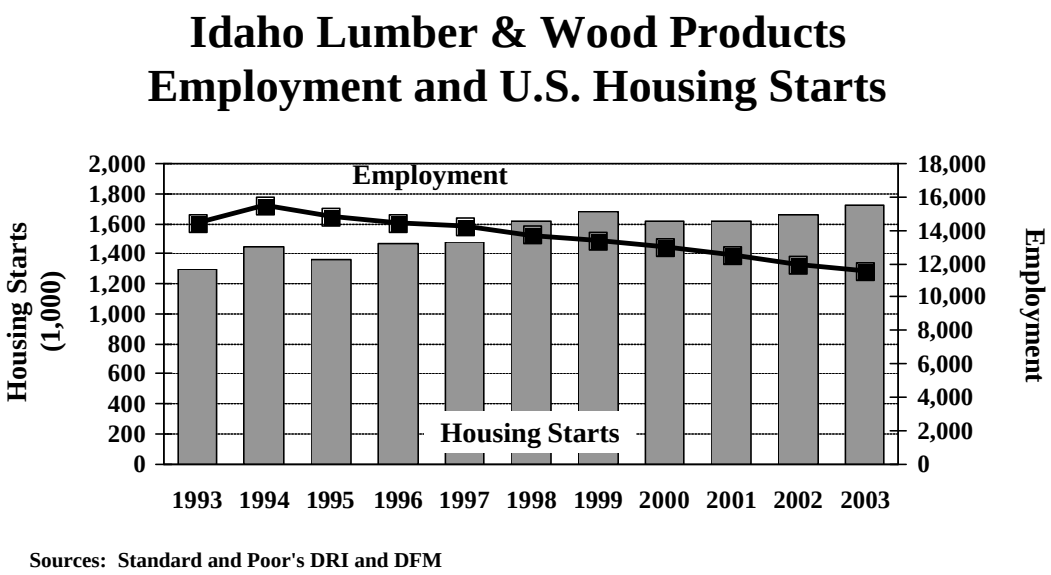
SELECTED IDAHO ECONOMIC INDICATORS

Idaho Electrical & Nonelectrical Employment



Electrical and Nonelectrical Machinery: The general outlook for Idaho's electrical and nonelectrical machinery sector has changed little from the previous forecast. A comparison of the current and previous forecast shows employment virtually the same in 2003. What has changed is the timing of when the growth takes place. In the previous forecast growth rises fastest in the latter two years of the forecast horizon. In the current forecast, job growth is fastest this year and next. This reflects the revised forecast which shows the production of electronic components and office and computer equipment growing more steeply this year. This change anticipates strong spending on computers and office equipment this year. The biggest change is in electrical components. This measure is forecast to grow 70.2% in 2000, compared to the previous projection of 49.4%. Likewise, office and computer equipment production should also jump out to a faster start. After this year, production growth for both of these measures will each drop below their previously forecasted counterparts. However, the momentum from this year's strength explains why the number of jobs that is currently expected and had been projected previously are so close in 2003. Micron Technology, a world-class manufacturer of computer memory products, should benefit from the stronger demand for its products. This marks a welcome turnaround from the combination of weak demand and a worldwide excess manufacturing capacity that kept prices for memory chips low. Data from recent years show how quickly capacity has grown. For example, dynamic random access memory (DRAM) capacity in Taiwan increased from 5,000 wafers per month in 1992 to 180,000 wafers per month in 1999. Thanks to being the lowest cost producer of memory products in the world, Micron Technology has been able to avoid layoffs during the recent market weakness and is well positioned to take advantage of higher prices. The company recently started a $200 million expansion at its Boise campus that will add 500 more jobs, most of which will be in research and development. Micron Electronics, the company's computer manufacturing arm has also enjoyed recent success. After implementing new marketing strategies, the company experienced record shipments. Other Gem State high-tech companies are also looking forward to a brighter future. Less than a year after opening the doors of its new Treasure Valley plant, Jabil Circuit, Inc. has announced plans to double its manufacturing space. Company officials explain that the expansion is in response to anticipated industry growth. This expansion will add up to 700 new jobs over the next few years. This would boost employment to about three times its initial level. Jabil began its Idaho operations just two years ago when it acquired the assets (and employees) of Hewlett-Packard's formatter manufacturing operations. The sale of these assets reflected Hewlett-Packard's strategy to refocus the Boise site's mission towards research and development and away from manufacturing. As a result of that move, Hewlett-Packard's employment in Idaho has remained near the 4,000 level in recent years. Idaho electrical and nonelectrical manufacturing employment is expected to rise 6.2% in 2000, 8.4% in 2001, 5.9% in 2002, and 7.0% in 2003.

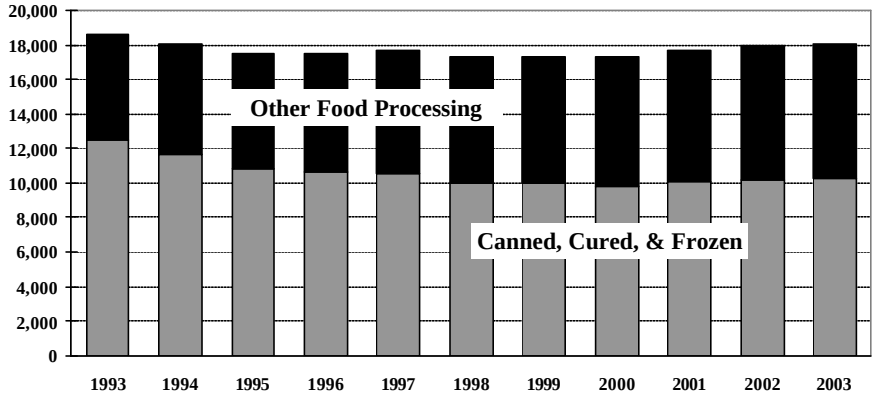
Lumber and Wood Products: Idaho lumber and wood products employment is forecast to continue sliding over the next few years. In 1993, the number of jobs in this sector peaked at 15,520. Since then, this sector has suffered annual employment declines. Specifically, from 1994 to 1998, this sector's collective payroll has shrunk by nearly 1,800 positions, with a 500-person drop in 1998 alone. Another 330 jobs were lost in 1999. Unfortunately, low prices have played havoc with employment this year. The composite price for framing lumber fell from $490 per thousand board feet in July 1999 to just $291 per board feet in September 2000. These low prices forced many Idaho mills to curtail their operations. Potlatch Corporation temporarily reduced payrolls by 300 in June 2000. The company also laid off 21 workers at its St. Maries' plywood plant. In July, Regulus Stud Mill's employment fell from 100 to 15 workers. That same month, Louisiana-Pacific shut down its Chilco sawmill and Sandpoint finishing plant, affecting 145 employees. While most of these layoffs are temporary, some are permanent. Potlatch Corporation let go of 140 salaried workers last summer. Crown Pacific closed its 150-employee Coeur d'Alene mill indefinitely in late July. More recently, Potlatch announced that it closed and will dismantle its Jaype Mill near Pierce. This move affects 215 workers. The Idaho Department of Labor estimates that over 1,500 employees have been affected by mill closures or curtailments from May 2000 to September 2000. Unfortunately, low prices may continue to be a burden for this sector until its excess capacity shrinks. One estimate shows the industry is already geared up to produce 20-25% more lumber than is being consumed in North America and Asia. This excess capacity will continue to exert negative pressure on prices. The longer term presents it own set of problems. Most notably, employment in the lumber and wood products industry will be constrained by the uncertainties concerning the timber supply from federal forests. According to U.S. Forest Service records, the harvest from Idaho national forests has declined steadily from 810.2 million board feet in 1989 to 239.8 million board feet in 1998. The impact of this reduction is not only measured in lost jobs, but in reduced federal government payments to Idaho local governments. These payments in lieu of taxes have fallen with the harvest. For example, from federal fiscal year 1998 to 1999, the distribution of funds to Idaho forest communities dropped by nearly $5 million, or about 40%. Idaho lumber and wood products employment should fall 3.1% in 2000, 3.8% in 2001, 4.3% in 2002, and 3.3% in 2003.



Sources: Standard and Poor's DRI and DFM

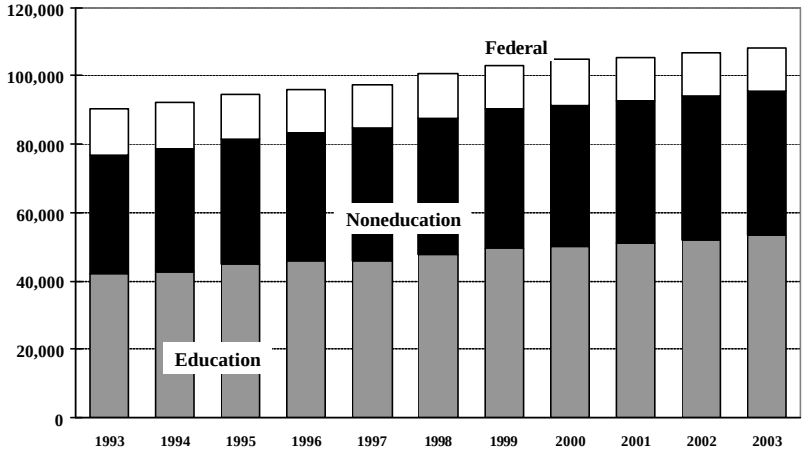
Food Processing: Employment in the state's huge food processing sector has been flat over the last decade. The number of jobs went from 17,336 in 1988 to 17,291 jobs in 1999. Over 1,000 jobs were lost from 1993 to 1999. While some of this loss was due to business downturns, other factors also played a significant role. For example, J.R. Simplot Company closed one of its two Caldwell, Idaho processing plants during this period. Between 300 and 400 jobs were lost as a result of this closure. Another Gem State food processing player, Ore-Ida, reduced its headquarters' staff by about 100 after

Idaho Food Processing Employment



it sold its food service division to Canadian food processing giant McCain Foods, Ltd. Unfortunately, this was not the last reduction by Ore-Ida. Approximately 400 Idaho jobs were lost in 1999 when H.J. Heinz Company consolidated Ore-Ida Foods Incorporated and Weight Watchers Gourmet Food Company into the new Heinz Frozen Food Company based in Pittsburgh. In light of this negative news, it should be pointed out that some elements of food processing have actually thrived in recent years. Most notably was the state's dairy industry. Idaho is the nation's sixth largest producer of milk. The state's dairy herd increased from 179,000 milk cows in 1990 to 318,000 cows in 1999. The expansion of the herd and higher output per cow caused milk production to climb from about 3 billion pounds to nearly 6.5 billion pounds over this period. The value of the milk produced rose from $360 million in 1990 to about $840 million in 1999. As of June 2000, there were 349,000 dairy cows in the state and production was 614 million pounds. Most of the larger dairies are located in the Magic Valley. The state's milk processing industry has expanded along with its dairy herd. This can be seen in production statistics. From 1995 to 1999, the whole milk equivalent used in Idaho manufactured products jumped over 40.0%, from 3.8 billion pounds to 5.3 billion pounds. Most of this was used to produce American cheese. Glanbia, Inc. is the largest dairy processor in Idaho. It employs over 400 people and has over $400 million in sales per year. Glanbia, Inc. recently completed a $33 million expansion to its Gooding cheese processing plant that can process six million pounds of milk per day. Land O' Lakes also completed a huge expansion to its feed-processing plant in Gooding. The Salmon Valley Cheese Factory plans to produce 10 million pounds of cheese annually beginning this summer, and production could expand further in the near future. Idaho food processing employment should retreat 0.2% in 2000, but advance 2.4% in 2001, 1.6% in 2002, and 0.8% in 2003.

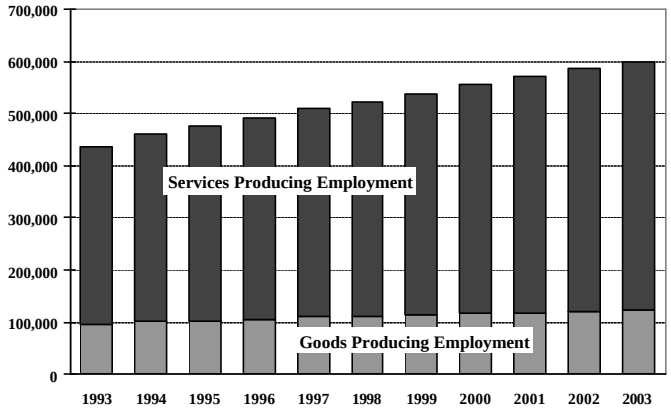
Idaho Government Employment



Federal, State, and Local Governments: Idaho's state and local government employment growth should cool over the forecast period. The number of jobs in this sector is tied to the population. Population is partly driven by migration, which is a function of economic growth. During the 1990-91 recession, Idaho's economy continued to expand. Thus, it was seen as an oasis in an economic desert. For example, during the 1990-92 period, Idaho nonfarm employment rose by 31,300 (8.1%) compared to a loss of 356,300 jobs (-

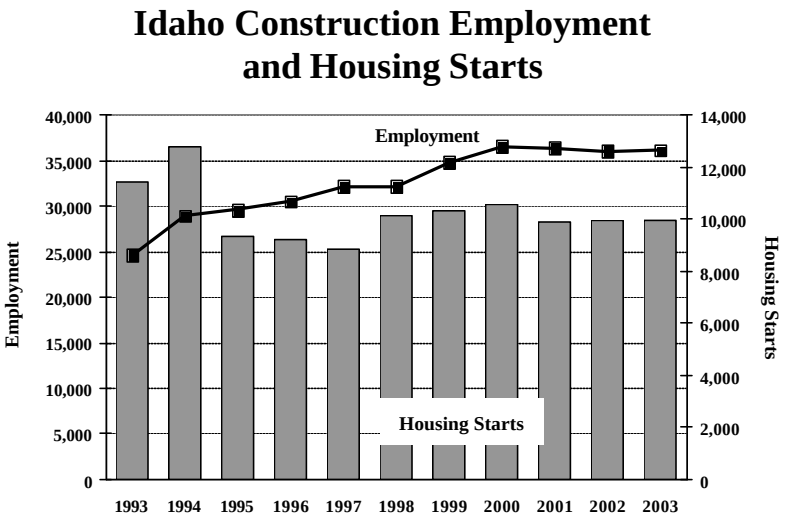
2.5%) in California. As a result, a storm surge of migration hit the Gem State in the first half of the 1990s. In each of the three years from 1992 to 1994, more than 20,000 more people moved into the state than left it. This helped the state's population grow by about 3.0% in each of those years, nearly three times faster than the nation's population. The demands of the expanding population strained government resources and fueled Idaho government employment growth. As a result, Idaho state and local government employment advanced over 3.5% annually during the first half of the decade, a rate more than twice the national average. But even at this quick pace, all levels of government were challenged to meet the needs of a population that grew as much as three times as fast as the nation. As the U.S. economy expanded in the second half of the 1990s, the economic gap between Idaho and other states narrowed. This caused net migration into Idaho to drop off. By the end of the decade, migration was about 10,000 per year, about half as high as its earlier peak, and Idaho's population was growing just twice as fast as the nation's. Not surprisingly, there has been a marked slowing in Idaho state and local government employment growth, from above 4.0% in the early 1990s to a about 2.5% at its tail end. But population is not the only factor that has affected government job growth. A state law that caps local government budgets has also limited government employment gains. In addition, this year's growth rate will also be impacted by a series break in the education-related employment data. The Idaho Department of Labor recently detected a data problem that inflated this sector's employment by 2,000 persons. In order to correct this, the Department of Labor reduced employment by 2,000 beginning in January 2000. As a result of this adjustment, the decline from the last quarter of 1999 to the first quarter of 2000 is exaggerated, and the 1999 to 2000 year-to-year growth is underestimated. The trends that shaped the second half of the 1990s are expected to continue into the next few years. Thus, Idaho state and local government employment is forecast to increase 1.4% in 2000, 1.5% in 2001, 1.4% in 2002, and 1.4% in 2003. Federal government employment in Idaho is largely driven by budget decisions made Washington, D.C. The recent round of federal budget belt-tightening has caused the number of federal jobs in Idaho to trend downwards in the 1990s. This is expected to continue in through the next few years. Specifically, the number of federal jobs in the Gem State should be 13,175 in 2000, 12,543 in 2001, 12,724 in 2002, and 12,730 in 2003. The large drop in 2001 reflects the layoff of temporary U.S. Census workers hired in 2000.

Idaho Nonfarm Employment



Services-Producing Industries: The services-producing sector is the state's largest employer. It alone accounts for about 80% all nonfarm jobs. It consists of finance, insurance, and real estate; transportation, communications, and public utilities; trade; services; and government. Even when government employment is taken out of the services-producing mix, the remainder still accounts for over 60% of all jobs. Not only is this sector diverse, it is also dynamic. For example, it has benefited recently from the growth of call centers in the state. The call centers are involved with catalog sales, help lines, telemarketing, customer services, and market research. Call centers also encompass a wide variety of business activities. These include manufacturing, transportation, communications, trade, finance, insurance, business services, and research and development. According to Idaho Department of Labor estimates, call centers employed 10,600 persons in July 2000. One of the most pleasing aspects of this growth is how diverse this growth has been. The GTE order-processing center is in North Idaho, the Carlson Leisure Group call center is in

the Treasure Valley, and Convergys Call Center is in Bannock County. Recently, Alaska Air announced plans to open a call center in Boise that will employ 200. Tele-Servicing Innovations will open a call center in Burley that will employ 100 persons. Another source of growth has been business services. Part of its growth reflects contract employees working at manufacturing firms. Although they perform manufacturing tasks, they are employed by employment agencies and are counted as business services employees. It should be pointed out that non-economic factors also affect employment levels. For example, there has been a significant drop in the finance, insurance, and real estate category in 1998 compared to the previous year. The U.S. Bureau of Labor Statistics determined that 3,600 of the Idaho jobs reported as noncovered real estate should be classified as self-employed. Overall, services-producing employment is projected to increase 3.6% in 2000, 2.9% in 2001, 2.7% in 2002, and 2.5% in 2003.



Construction: Idaho's economy will begin this decade without a boost from one of its important growth engines: construction. This is a significant change from the start of the 1990s. In the first half of the last decade, Idaho construction employment grew faster than overall employment, advancing at a double-digit pace in several years. From 1988 to 1997, the period of strongest growth, this sector's employment rose from just over 14,000 to around 32,000. This sustained growth was due in part to the explosive building growth during this period. Specifically, total housing starts in Idaho bottomed out at 3,334 units in 1988, but peaked at 12,767 units in 1994—a near fourfold increase in less than 10 years. Housing starts have hovered in the 9,000-to-10,500 level since 1994. The fast-growing population caught the slowly expanding housing stock off guard, which led to chronic housing shortages in the state's population centers. As a result, housing starts were in catch-up mode during the early 1990s. Thus, Idaho never developed a serious housing inventory overhang, making the transition from boom to slower times much less painful than it usually occurs in this notoriously cyclical industry. Given the anticipated tapering off of population growth and the assumption that the Federal Reserve's most recent round of tightening is near completion, the forecast calls for total Idaho housing starts to drop to hover near 10,000 units over the forecast period. Idaho construction employment should gradually slide from about 36,600 in 2000 to 36,200 in 2003.

This page left blank intentionally.

FORECASTS COMPARISON

Idaho has a dynamic economy whose growth is influenced by a myriad of local, national, and international factors. Therefore, changes to the projected values of such diverse variables as oil prices, interest rates, and national housing starts can have an effect at the state level. In order to account for the effects of such changes on the state's economy, each issue of the *Idaho Economic Forecast* uses DRI's most recent forecast of the U.S. economy. Additional data, such as company-specific expansions and/or contractions are also considered.

The following comparison table shows how the outlooks for several key Idaho and national economic series have changed from the July 2000 to the October 2000 *Idaho Economic Forecast*. The July 2000 Idaho forecast is based on DRI's June 2000 U.S. macroeconomic forecast and the October 2000 Idaho forecast is driven by DRI's September 2000 forecast.

This section focuses on the differences between the current and previous *Idaho Economic Forecasts*. Regular *Forecast* readers will notice that the accompanying table contains several fields that have been marked with "NC" for "not calculated." These measures were not calculated because the bases for most implicit price deflators were shifted from 1992 in the June 2000 *Forecast* to 1996 in the September 2000 *Forecast*. Thus, no meaningful comparison could be made between these deflators or any other that depended on them. Of course, since all deflators are now on the 1996 basis, we will once again be able to make valid comparisons beginning with the January 2001 *Forecast*.

Not all of the variables usually reviewed were affected by the base changes, so a somewhat limited comparison can still be made. The national variables are considered first. Overall, the outlook for the U.S. economy is slightly improved. Nominal GDP is anticipated to grow faster than had previously been forecast. And this improvement accelerates over time. For instance, it is 0.9% higher in 2000, but it is 4.0% by 2003. Nominal U.S. personal income displays this same pattern of improvement. It is 0.1 stronger in both 2000 and 2001, 0.4% higher in 2002, and 1.1% stronger in 2003. Inflation at the consumer level is also better behaved. Despite the stronger economy, nonfarm employment numbers are lower than had been previously forecasted. All of this reduction comes from the services-producing sector. Its downward revisions swamp the rather healthy upward adjustments to the goods producing sector. The lower employment expectations could be consistent if they reflect the unavailability of workers from a labor supply stretched to its limit.

The outlook for Idaho's economy has improved slightly. For example, the Gem State's nonfarm employment is about one-tenth of a percent higher in each year after 2000. Unlike its national counterpart, however, all of this improvement comes from the services-producing sector. In fact, the outlook for the goods-producing sector is down from the previous *Forecast*. Idaho nominal personal income is down 0.4% in 2000, but is up 0.4% in 2001, 0.6% in 2002, and 0.9% in 2003.

IDAHO ECONOMIC FORECAST

FORECASTS COMPARISON

DIFFERENCES BETWEEN JULY 2000 AND OCTOBER 2000 FORECASTS

	1999	2000	2001	2002	2003
GDP (BILLIONS)					
Current $	43	94	203	321	457
% Difference	*0.5%*	*0.9%*	*2.0%*	*2.9%*	*4.0%*
1996 Chain-Weighted	NC	NC	NC	NC	NC
% Difference	NC	NC	NC	NC	NC
PERSONAL INCOME - CURR $					
Idaho (Millions)	40	-111	130	218	338
% Difference	*0.1%*	*-0.4%*	*0.4%*	*0.6%*	*0.9%*
U.S. (Billions)	-2	5	11	41	110
% Difference	*0.0%*	*0.1%*	*0.1%*	*0.4%*	*1.1%*
PERSONAL INCOME - 1996 $					
Idaho (Millions)	NC	NC	NC	NC	NC
% Difference	NC	NC	NC	NC	NC
U.S. (Billions)	NC	NC	NC	NC	NC
% Difference	NC	NC	NC	NC	NC
TOTAL NONFARM EMPLOYMENT					
Idaho	-7	-1,387	636	361	461
% Difference	*0.0%*	*-0.2%*	*0.1%*	*0.1%*	*0.1%*
U.S. (Thousands)	0	-280	-955	-771	30
% Difference	*0.0%*	*-0.2%*	*-0.7%*	*-0.6%*	*0.0%*
GOODS PRODUCING SECTOR					
Idaho	-2	-1,000	-674	-1,026	-772
% Difference	*0.0%*	*-0.9%*	*-0.6%*	*-0.8%*	*-0.6%*
U.S. (Thousands)	0	35	24	95	263
% Difference	*0.0%*	*0.1%*	*0.1%*	*0.4%*	*1.1%*
SERVICE PRODUCING SECTOR					
Idaho	-5	-387	1,310	1,387	1,233
% Difference	*0.0%*	*-0.1%*	*0.3%*	*0.3%*	*0.3%*
U.S. (Thousands)	0	-315	-979	-866	-233
% Difference	*0.0%*	*-0.3%*	*-0.9%*	*-0.8%*	*-0.2%*
FINANCIAL MARKETS					
Federal Funds Rate	0.0	-0.1	-0.3	-0.4	-0.1
Bank Prime Rate	0.0	-0.1	-0.3	-0.6	-0.8
Mort Rate, Existing Homes	0.0	-0.3	-1.0	-1.2	-1.1
INFLATION					
GDP Price Deflator	NC	NC	NC	NC	NC
Personal Cons Deflator	NC	NC	NC	NC	NC
Consumer Price Index	0.0	0.1	-0.2	-1.6	-2.9

Forecast Begins the SECOND Quarter of 2000

ALTERNATIVE FORECASTS

DRI has assigned a 55% probability of occurrence to its September 2000 baseline forecast of the U.S. economy. The major features of this forecast include:

- Real GDP expands by a healthy 5.2% in 2000, 3.6% in 2001, 4.2% in 2002, and 4.7% in 2003;
- U.S. nonfarm employment grows 2.1% this year, 1.0% next year, 1.2% in 2002, and 1.8% in 2003;
- the U.S. civilian unemployment rate remains below the full employment rate of 5.5%;
- consumer confidence slowly tapers off over the forecast period, but remains over 100;
- after hitting 3.3% this year, inflation drops below 2.5% in the remaining years of the forecast;
- the federal budget surplus swells to nearly $260 billion in 2003;
- and the U.S. merchandise trade deficit widens.

While the baseline scenario represents the most likely path for the national economy over the next few years, uncertainties surrounding several key variables mean other outcomes are also possible. To account for this, DRI prepares alternative forecasts based on different assumptions regarding these key variables. Two of these alternative forecasts, along with their likely impacts on the Idaho economy, are discussed below.

While it is believed the U.S. economy will not suffer a recession over the forecast period, it should be noted the risk of a recession is high. A review of the probabilities of occurrence for each forecast scenario shows this. The baseline does not include a recession and the probability of occurrence is 55%. However, both of the alternative scenarios do contain recessions and their combined probability of occurrence is 45%. This implies the chances of the economy not suffering a recession over the next few years, barely better than even.

PESSIMISTIC SCENARIO

The *Pessimistic Scenario* has been assigned a 15% probability of occurrence. In this scenario the current expansion ends in its traditional fashion. Every postwar expansion has ended with rising inflation leading to an overreaction by the Federal Reserve. The higher interest rates, with an assist from an external or fiscal shock, causes a recession. The tight labor market is the main reason to fear higher inflation. Indeed, wages have recently been pushed up by the scarcity of labor. If the unemployment rate drops further, labor costs could accelerate. In addition, the recent resurgence of health care costs could worsen, exacerbating employment-cost inflation. Rising energy prices are also fueling inflation jitters. But rising oil prices will not only impact inflation, they will also widen the nation's trade deficit which will pour another ladle of ice water on the already cooling stock market.

In this scenario, consumer inflation hits 4% in late 2001. In response, the Federal Reserve raises the federal funds rate to 8.0% by early 2002. The stock market corrects sharply. Facing disappearing wealth and higher borrowing costs, American consumers retrench. This sets in motion a domino effect that culminates with the economy falling into a short recession in early 2002. The Federal Reserve responds quickly, limiting the peak-to-trough drop in real GDP to less than 1.0%. The slowdown causes the unemployment rate to peak at 6.3% in mid-2003. The lower interest rates help the economy recover quickly. The lack of significant internal imbalances also helps keep the recession tame. This, too, is a traditional feature of recessions. In general, long expansions are followed by mild, not severe, recessions. This scenario's recession fits that mold.

IDAHO ECONOMIC FORECAST

BASELINE AND ALTERNATIVE FORECASTS

OCTOBER 2000

	BASELINE				PESSIMISTIC				LATE RECESSION			
	2000	**2001**	**2002**	**2003**	**2000**	**2001**	**2002**	**2003**	**2000**	**2001**	**2002**	**2003**
GDP (BILLIONS)												
Current $	10,002	10,599	11,237	11,979	10,016	10,747	11,371	11,910	10,001	10,632	11,370	12,132
% Ch	*7.6%*	*6.0%*	*6.0%*	*6.6%*	*7.7%*	*7.3%*	*5.8%*	*4.7%*	*7.6%*	*6.3%*	*6.9%*	*6.7%*
1996 Chain-Weighted	9,337	9,671	10,078	10,551	9,346	9,720	9,899	10,098	9,338	9,702	10,173	10,618
% Ch	*5.2%*	*3.6%*	*4.2%*	*4.7%*	*5.3%*	*4.0%*	*1.8%*	*2.0%*	*5.2%*	*3.9%*	*4.9%*	*4.4%*
PERSONAL INCOME - CURR $												
Idaho (Millions)	31,371	33,568	35,649	37,895	31,412	33,899	36,325	38,243	31,371	33,561	35,769	38,161
% Ch	*6.8%*	*7.0%*	*6.2%*	*6.3%*	*6.9%*	*7.9%*	*7.2%*	*5.3%*	*6.8%*	*7.0%*	*6.6%*	*6.7%*
U.S. (Billions)	8,287	8,791	9,283	9,850	8,296	8,881	9,433	9,808	8,287	8,800	9,362	10,000
% Ch	*6.4%*	*6.1%*	*5.6%*	*6.1%*	*6.5%*	*7.0%*	*6.2%*	*4.0%*	*6.4%*	*6.2%*	*6.4%*	*6.8%*
PERSONAL INCOME - 1996 $												
Idaho (Millions)	29,175	30,617	31,995	33,401	29,193	30,565	31,550	32,430	29,174	30,527	31,896	33,143
% Ch	*4.1%*	*4.9%*	*4.5%*	*4.4%*	*4.2%*	*4.7%*	*3.2%*	*2.8%*	*4.1%*	*4.6%*	*4.5%*	*3.9%*
U.S. (Billions)	7,708	8,019	8,332	8,682	7,711	8,008	8,194	8,318	7,708	8,005	8,349	8,686
% Ch	*3.7%*	*4.0%*	*3.9%*	*4.2%*	*3.8%*	*3.9%*	*2.3%*	*1.5%*	*3.7%*	*3.9%*	*4.3%*	*4.0%*
TOTAL NONFARM EMPLOYMENT												
Idaho (Thousands)	557.3	572.3	586.1	600.4	557.5	572.8	583.4	589.8	557.3	572.1	585.8	599.0
% Ch	*3.4%*	*2.7%*	*2.4%*	*2.4%*	*3.4%*	*2.8%*	*1.8%*	*1.1%*	*3.4%*	*2.7%*	*2.4%*	*2.2%*
U.S. (Millions)	131.4	132.7	134.3	136.7	131.5	133.2	133.5	132.6	131.4	132.9	135.1	137.6
% Ch	*2.1%*	*1.0%*	*1.2%*	*1.8%*	*2.1%*	*1.3%*	*0.2%*	*-0.7%*	*2.1%*	*1.1%*	*1.6%*	*1.9%*
GOODS PRODUCING SECTOR												
Idaho (Thousands)	116.6	118.7	120.2	122.9	116.7	119.3	120.6	121.1	116.6	119.0	121.2	123.6
% Ch	*2.7%*	*1.8%*	*1.3%*	*2.2%*	*2.8%*	*2.2%*	*1.1%*	*0.4%*	*2.7%*	*2.0%*	*1.8%*	*2.0%*
U.S. (Millions)	25.7	25.3	24.8	24.7	25.7	25.5	24.7	23.5	25.7	25.4	25.0	24.8
% Ch	*0.7%*	*-1.5%*	*-1.8%*	*-0.6%*	*0.8%*	*-0.8%*	*-3.2%*	*-4.6%*	*0.7%*	*-1.2%*	*-1.3%*	*-0.8%*
SERVICE PRODUCING SECTOR												
Idaho (Thousands)	440.7	453.7	465.8	477.5	440.8	453.5	462.8	468.7	440.7	453.1	464.7	475.4
% Ch	*3.6%*	*2.9%*	*2.7%*	*2.5%*	*3.6%*	*2.9%*	*2.0%*	*1.3%*	*3.6%*	*2.8%*	*2.5%*	*2.2%*
U.S. (Millions)	105.8	107.4	109.5	112.0	105.8	107.7	108.8	109.1	105.8	107.6	110.1	112.8
% Ch	*2.4%*	*1.6%*	*1.9%*	*2.3%*	*2.4%*	*1.8%*	*1.0%*	*0.2%*	*2.4%*	*1.7%*	*2.3%*	*2.5%*
SELECTED INTEREST RATES												
Federal Funds	*6.2%*	*6.4%*	*6.1%*	*6.0%*	*6.3%*	*7.2%*	*7.1%*	*4.9%*	*6.2%*	*5.9%*	*5.8%*	*7.3%*
Bank Prime	*9.2%*	*9.4%*	*8.9%*	*8.3%*	*9.3%*	*10.2%*	*10.1%*	*7.9%*	*9.2%*	*8.9%*	*8.8%*	*10.3%*
Existing Home Mortgage	*8.0%*	*7.5%*	*7.1%*	*6.9%*	*8.0%*	*8.0%*	*8.4%*	*6.8%*	*8.0%*	*7.2%*	*6.9%*	*7.8%*
INFLATION												
GDP Price Deflator	*2.3%*	*2.3%*	*1.7%*	*1.8%*	*2.3%*	*3.1%*	*3.9%*	*2.7%*	*2.3%*	*2.3%*	*2.0%*	*2.2%*
Personal Cons Deflator	*2.5%*	*2.0%*	*1.6%*	*1.8%*	*2.6%*	*3.1%*	*3.8%*	*2.4%*	*2.5%*	*2.2%*	*2.0%*	*2.7%*
Consumer Price Index	*3.3%*	*2.2%*	*1.7%*	*1.9%*	*3.3%*	*3.1%*	*3.6%*	*2.5%*	*3.3%*	*2.5%*	*2.0%*	*2.7%*

Forecast Begins the SECOND Quarter of 2000

Idaho's economy follows a similar path as its national counterpart. That is, marginally faster growth in the first two years of the forecast is followed by significantly weaker growth in 2002 and 2003. Idaho nonfarm employment is forecast to advance 3.4% in 2000 and 2.7% in 2001 in the baseline. In this scenario it grows 3.4% this year and 2.8% next year. It then slows to 1.8% in 2002 and 1.1% in 2003. In comparison, baseline nonfarm employment grows by 2.4% in both of these years. Idaho real personal income growth trails off from the baseline more noticeably due to the higher inflation in this scenario compared to the baseline.

LATE RECESSION SCENARIO

The *Late-Recession Scenario* has been assigned a 30% probability of occurrence. The more likely of the two alternative scenarios considered here, it also contains the more severe downturn because imbalances are allowed to build longer. This scenario assumes that European and Asian economic growth outrun expectations causing funds to shift to other markets, which in turn pushes the dollar lower. Subsequently, this raises the cost of imported goods and boosts exports, both of which put upward pressure on prices. In addition, the tight labor market pushes employer costs upwards. In an attempt to keep inflation from getting out of control, the Federal Reserve begins to tighten. Unfortunately, it is not aggressive enough to completely tame inflation.

Rising interest rates help strengthen the dollar. However, they hammer the stock market and consumer confidence. With the leading edge of the baby boom approaching retirement age, there is a rush to shift assets out of stocks and into fixed-income securities—further worsening the stock market slide. The slide in U.S. growth lowers the prospects for foreign growth, thereby adding upward pressure on the dollar. The resulting slowdown in exports and pickup in imports aggravate the negative impact of higher interest rates and the drop in equity prices. The economy turns down in 2004,with real GDP dropping 1.0% over the course of three quarters.

Idaho's economic performance in this scenario is very similar to that of the baseline. This is because the national recession does not occur until 2004, which is outside the range of this forecast horizon. Idaho nonfarm employment is 599,000 in 2003, just 1,400 lower than in the baseline. Likewise, Idaho real personal income is $33.1 billion in 2003, which is about $250 million lower than in the baseline. However, it is much closer than the real personal income in the *Pessimistic Scenario*. In that case, Idaho real personal income is about a billion dollars lower in 2003 compared to the baseline figure.

ARE WE SAVING ENOUGH?*

Jagadeesh Gokhale

The U.S. economy has exhibited considerable vitality during the last two decades. There have been only two recessions, one of which (in 1991) was very mild. During the last five years, economic growth has occurred at a much faster pace than the rate economists previously thought was sustainable over the long run.

A significant feature of the current economic boom—one to which many observers attribute today's good economic times—is the strength in consumer demand. Unfortunately, because greater consumption means lower saving and fewer resources available for investment a surge in economic growth fueled by greater consumption is unlikely to last.

Devoting a greater share of output to consumption will squeeze saving and investment to the point where little or nothing is left for adding to, or even replacing, the nation's capital stock. Although the capital stock could continue to grow because of foreign capital inflows, low national saving will reduce Americans' share in its ownership, and capital income will increasingly accrue to foreigners. A continued dependence on foreign capital inflows will benefit future Americans less than if domestic investment were financed through greater national saving.

U.S. households may be saving very little because, in their view, resources for future consumption are adequate and secure. However, projections of Social Security and Medicare—important pillars of retirement security—suggest that financial shortfalls will begin to occur soon after the first decade of this century. Moreover, lengthening life spans imply that a failure to save adequately will worsen retiree living standards or force a postponement of retirement-both of which imply lower economic welfare.

This *Economic Commentary* examines the behavior of U.S. household and national saving during the last two decades. It analyzes households' motivations to save and discusses the role that saving plays in improving living standards. Finally, it explores how much those about to retire might need to save to adequately prepare for retirement.

SAVING IN THE UNITED STATES

The United States has experienced a sustained decline in national saving since the early 1970s. National saving—measured as the share of national output not consumed by households and the government—averaged well over 9 percent during the 1960s and 70s, but then dropped to 6 percent in the 1980s, and further to 4.7 percent during the 1990s, (see figure 1).[1]

National saving can be divided into private and government saving, and private saving can, in turn, be divided into that done by households and by businesses. The conventional method of dividing national saving into its constituent parts suggests that the biggest source of decline in national saving is lower private saving. Indeed, personal saving, one component of private saving, reached an all-time low of 2.4 percent in 1999.

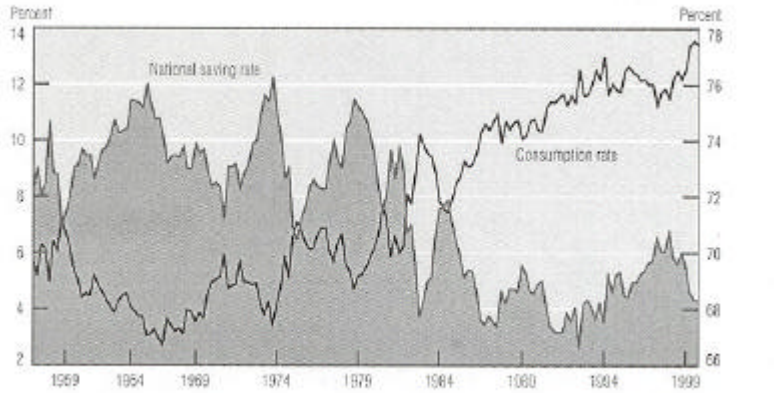
Lower private saving is a direct consequence of higher private consumption.[2] Personal consumption expenditure as a share of net national output has trended upward for three decades. This share rose from 68.3 percent during the 1960s to 76.0 percent during the 1990s. In 1999, it was 77.2 percent, suggesting that a reversal is not yet in

---

* Reprinted from the Federal Reserve Bank of Cleveland's July 2000 *Economic Commentary*. The views expressed by the author are not necessarily those of the Federal Reserve Bank of Cleveland or the Board of Governors of the Federal Reserve System.

sight. Despite the recent improvement in government saving via the elimination of federal deficits, national saving remains at about half its rate during the 1960s and 70s and is among the lowest in the developed world.[3]

FIGURE 1 SAVING AND CONSUMPTION AS A PERCENT OF NET NATIONAL PRODUCT



SOURCE: U.S. Department of Commerce, Bureau of Economic Analysis.

SAVING AND INVESTMENT

Saving finances investment, and one may expect the path of net domestic investment over time to follow that of national saving. During the 1960s and 70s, net domestic investment averaged well over 10 percent of net national output. This share declined to 9 percent during the 1980s and further to 5 percent during the early 1990s. Despite a rebound since 1991, it averaged only 7.4 percent during the 1990s.

While U.S. net domestic investment has decreased over the last three decades, the decline was smaller than that in national saving because of foreigners' willingness to invest their savings in the United States. However, borrowing from abroad to finance domestic investment has considerably increased U.S. international indebtedness. The net international investment position of the United States has swung from positive 7.2 percent of GDP in 1983 to -17.6 percent today.[4] The decline in our net investment position seems to have accelerated during the last two years, growing by almost 40 percent after 1997.

Although such huge capital inflows have helped maintain domestic investment above national saving, the increasing foreign ownership of U.S. capital has increased the share of income accruing to its foreign owners and lowered the share accruing to Americans. In addition, continued dependence upon foreign borrowing for financing investment at home may be risky since this source may dry up quickly if investment opportunities outside the United States become more attractive.

WHY SAVE?

Unfortunately, we do not live in paradise—the right kinds and amounts of goods and services do not miraculously appear before us at each instant that we desire to consume them. If we anticipate a need for resources in the future, we must be prepared to produce them or make them available out of prior production via saving. By transferring resources from the present to the future, saving helps us smooth the temporal flow of consumption in the face of irregular and variable income accruals. The starkest example of such consumption-smoothing behavior is saving for retirement—transferring consumption from the productive to the nonproductive years of one's lifetime.

Not only does saving transfer consumption across time, the accumulated wealth it creates provides opportunities to improve our living standards. If our consumption needs are secured for a sufficient length of time, savings can be invested to improve technology for producing goods and services and upgrading their quality. Hence, greater saving also enables the greater investment that is essential for increasing productivity and, ultimately, improving living standards.

A stock of wealth also enables a better configuration of the set of goods and services that we consume at a given time. We can devote some of the saved resources to purchasing lumpy goods such as houses, which are large (requiring substantial initial expenditure) and indivisible (embodying a lot of consumption services but releasing them only over a long period).

One may argue that prior saving is not essential for smoothing consumption over time because one could incur debt when income dips unexpectedly. However, debt financing is wise only if used appropriately. Using debt to purchase durable goods such as houses, for example, is relatively inexpensive because the asset purchased can serve as collateral. Obtaining unsecured consumer loans for financing general consumption is usually more expensive.

SAVING FOR RETIREMENT

During the nineteenth century, people lived less than 50 years on average. By the 1920s, better nutrition, improved sanitation and shelter, and especially medical advances increased longevity by about 15 years. Further advances in medical technology have extended our life spans by another 14 years since. The extension of the human life span—dramatic as it has been—is probably not going to cease. People will continue to live longer as a new generation of biomedical and genetic technology matures and is applied to inhibit or cure diseases and medical conditions related to aging.

In the developed world, the lengthening of human life spans has coincided with the emergence of the concept and practice of "retirement." Prior to the twentieth century, it was uncommon to think of or anticipate retirement. When Social Security was introduced in the United States with a "normal" retirement age of 65, not many individuals survived for more than a few years beyond that age. But now, the concept of "retirement" is hard-coded in the minds of most people, arguably as a result of Social Security's earnings test, which still imposes heavy tax burdens on those who continue to work and earn between the ages of 62 and 64. Moreover, private (defined-benefit) pension plans provide similar "incentives" for workers to retire early—in many cases as early as age 55.

Despite their low net worth, many older workers today consider retirement a clear possibility because of Social Security and Medicare. Indeed, many recent retirees and those about to retire have not saved much out of after-tax income because they expect to receive sufficient Social Security and Medicare benefits for the rest of their lifetimes. However, even if current benefit levels were enough to maintain their standard of living, these are unlikely to last. According to current projections, if benefits are maintained as under current law, payroll taxes will begin to fall short of Social Security outlays after 2013.[5]

Many policymakers suggest that projected federal budget surpluses could be used to shore up these programs. The surplus projections, however, are based on several optimistic assumptions—namely, that federal discretionary spending will remain fixed in real terms and effective income tax rates will continue to remain at their current historically high levels, if not increase further.

If these projections fail to materialize, Social Security and Medicare's long-term financial shortfalls will force higher taxes or reduced benefits. Today's workers—the baby boomers—may end up bearing the brunt of these adjustments if payroll taxes are hiked before and benefits are cut after they retire. Social Security's shaky foundation and uncertainty about how the system will be reformed imply a greater need for baby boomers to save more to preserve their living standards after retirement.

SAVING INCENTIVES

Retirement-saving incentives introduced relatively recently—especially 401(k) plans and IRAs—have been successful in increasing saving among some groups. Recent research suggests that along with Social Security, Medicare, and private pensions, the accumulated assets in these plans will constitute a substantial fraction of retirement resources for these individuals. Some of these groups may be on track to maintain preretirement living standards when they retire.

However, a large segment of workers are either not covered by or do not participate in these plans. Those who are covered and participate generally tend to be individuals with very high incomes and those working in large firms. A sizable portion of workers (especially those in small firms, which often do not offer such plans) may not be on track to garner sufficient assets for financing postretirement consumption close to the level they enjoyed before retirement. As a result, such households will remain completely or mainly dependent on Social Security.

HOW MUCH SAVING IS ADEQUATE?

These observations raise an obvious question: How much must Americans save to adequately prepare for retirement? Obviously, the answer depends upon what one considers "adequate." One view is that current saving is adequate if it enables a household to maintain its living standard at its "sustainable" level (both before and after retirement). The "sustainable" living standard is the highest constant standard that the household can maintain from today onward given its current assets (in tax-favored and non-tax-favored accounts), projected income (wages and salaries, defined benefit pensions, expected gifts and inheritances, etc.), and anticipated expenditures (such as children's college education, expected out-of-pocket medical expenses, and so on). After calculating the sustainable living standard, one can also find out how much the household must save out of its current (and projected) income in order to maintain that living standard.[6]

TABLE 1 SAVING RATES NEEDED TO MAINTAIN LIVING STANDARDS AT SUSTAINABLE LEVELS

Income	0-15,000	15,000-45,000	45,000-100,000	100,000+
Age 50-55	1	13	14	17
Age 56-61	0	17	20	23

SOURCE: Douglas B. Bernheim, Lorenzo Forni, Jagadeesh Gokhale, and Laurence J. Kotlikoff, "The Adequacy of Life Insurance: Evidence from the Health and Retirement Survey," *American Economic Review* (Papers and Proceedings), May 2000, pp. 288-92.

Table 1 shows that the average saving rates needed to maintain living standards at their sustainable levels are small for very low-income households. This result is not surprising because such households have low asset levels and their Social Security benefits replace almost all of their preretirement earnings. Hence, they depend on Social Security to finance almost fully their postretirement consumption. The required saving rates are substantially larger at higher income ranges. Such households have higher asset levels, and their Social Security benefits do not replace a sizable fraction of earnings lost due to retirement.

Calculations suggest that middle- and upper-income households would not be able to maintain their living standards at their sustainable levels simply by reinvesting the interest income on their non-tax-favored assets. Rather, they would have to save a sizable fraction of their earnings to smooth consumption and preserve their living standards throughout their remaining lifetimes. While sobering, these calculations are based upon the optimistic assumption that Social Security will continue to pay benefits at currently promised levels. Under the alternative assumption that Social Security benefits are cut to balance the program's long-term budget imbalance, the saving rates required to maintain living standards (at pre-benefit-cut sustainable levels) would be higher still.

CONCLUSION

Many observers attribute the strong U.S. economic performance since 1995 to robust consumption growth and are calling for more of the same. In the United States, private and government consumption growth have outpaced output growth for the last two decades. This trend is unsustainable, however: If an ever-increasing share of output is consumed, less will be available for financing investment. Domestic capital formation has, indeed, followed the pattern of national saving over time in the United States. Although domestic investment may remain higher than national saving via foreign borrowing, this reduces U.S. nationals' claims on domestic output. Over time, greater foreign indebtedness will also reduce U.S. nationals' living standard relative to that feasible by financing domestic investment through our own saving.

Saving enables us to transfer consumption across time—from the earning to the retired stage of life—and to better configure the collection of goods and services consumed. Low saving by U.S. households may adversely impact their ability to maintain their living standards during retirement—a challenge that will only gain in difficulty with lengthening life spans. Calculations suggest that household saving rates required to maintain living standards are quite high, especially for those in the middle and upper income levels. If households—especially those approaching retirement—were more aware of the gap between their actual saving and that required for maintaining their living standards, they might begin to save more.

Footnotes

[1] In this measure, household spending includes purchases of durable goods. Government purchases are defined as government expenditures on consumption and gross investment net of its consumption of fixed capital.

[2] There is a case to be made that any decomposition of net national saving into private and government saving is arbitrary in that it reflects nothing more than the choice of accounting labels attached to various transactions between the two sectors. For example, households may view their social insurance contributions (payroll taxes) as their own saving for retirement, and this perception may influence their saving out of personal income. Calling these payments "government borrowing" rather than "taxes," and calling Social Security benefits "repayment of principal plus interest" rather than "transfers," would result in a different decomposition of national saving into private and government saving

[3] The decadewise average growth in the sum of nominal personal consumption expenditures plus government purchases was 7 percent during the 1960s, 10 percent during the 1970s, 8.1 percent during the 1980s, and 2.8 percent during the 1990s. The corresponding growth in nominal net national product was 7.0, 10.1, 7.5, and 2.7 percent.

[4] This figure consists of US-owned assets abroad minus foreign-owned assets in the United States.

[5] According to the latest Social Security trustee report, a tax hike or a benefit cut will become unavoidable by 2013 to close the gap between the program's revenues and outlays. The report estimates that increasing payroll taxes by 1.9 percent immediately would eliminate the gap over a 75-year horizon. However, this estimate probably understates the true size of the funding shortfall because it ignores deficits that will accrue in year 76 and later and because, relative to historical evidence, the report's underlying demographic assumptions underestimate future improvements in survival rates.

[6] Allowance is made for he earlier death of one spouse in a two-adult household.

This page left blank intentionally.

IDAHO ECONOMIC FORECAST

OCTOBER 2000

FORECAST DETAIL

Reporting Conventions

Units of measurement are presented in the individual reports. If not otherwise indicated, population is in millions; income is in billions; and employment is in thousands.

The percentage change numbers given in the annual reports are simple period-to-period percent changes. Since the periods are years, they are thus simple annual changes. The percentage changes given in the quarterly report are period-to-period changes at compound annual rates, following standard practice. A large change in a given quarter can seem to be exaggerated since the calculation assumes the change is compounded over an entire year.

Data Sources

National forecast data are provided by Standard and Poor's DRI and the Food and Agricultural Policy Research Institute (FAPRI). Historical data for the models are obtained from the following agencies: Bureau of the Census (demographic), Bureau of Economic Analysis (income), Bureau of Labor Statistics (employment), Federal Reserve Board of Governors (production), and U.S. Department of Agriculture (farm).

Idaho historical data are obtained from the Department of Labor (employment and hourly earnings), Bureau of Vital Statistics (births and deaths), Division of Financial Management (migration), and the Bureau of Economic Analysis (income).

The Idaho average annual wage is calculated by the Division of Financial Management from Bureau of Economic Analysis and Idaho Department of Labor data. Because of the different methodology used and data available, this figure may not match those published by other sources.

IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
OCTOBER 2000

DEMOGRAPHICS

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
POPULATION										
Idaho (Thousands)	991.5	993.8	990.5	986.6	988.5	996.7	1,010.7	1,037.5	1,068.1	1,098.4
% Ch	*0.9%*	*0.2%*	*-0.3%*	*-0.4%*	*0.2%*	*0.8%*	*1.4%*	*2.6%*	*3.0%*	*2.8%*
National (Millions)	236.6	238.7	240.9	243.1	245.3	247.7	250.3	253.0	255.7	258.4
% Ch	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*1.0%*	*1.1%*	*1.1%*	*1.1%*	*1.0%*
BIRTHS										
Idaho (Thousands)	17.996	17.5385	16.4235	15.905	15.759	15.863	16.423	16.741	17.197	17.575
% Ch	*-4.0%*	*-2.5%*	*-6.4%*	*-3.2%*	*-0.9%*	*0.7%*	*3.5%*	*1.9%*	*2.7%*	*2.2%*
National (Thousands)	3,669.0	3,761.0	3,757.0	3,809.0	3,910.0	4,041.0	4,158.0	4,110.0	4,038.0	3,997.0
% Ch	*0.8%*	*2.5%*	*-0.1%*	*1.4%*	*2.7%*	*3.4%*	*2.9%*	*-1.2%*	*-1.8%*	*-1.0%*
DEATHS										
Idaho (Thousands)	7.229	7.105	7.345	7.307	7.611	7.389	7.358	7.644	7.887	8.277
% Ch	*0.3%*	*-1.7%*	*3.4%*	*-0.5%*	*4.2%*	*-2.9%*	*-0.4%*	*3.9%*	*3.2%*	*4.9%*
National (Thousands)	2,039.0	2,086.0	2,105.0	2,123.0	2,168.0	2,150.0	2,162.0	2,163.0	2,210.0	2,237.0
% Ch	*1.0%*	*2.3%*	*0.9%*	*0.9%*	*2.1%*	*-0.8%*	*0.6%*	*0.0%*	*2.2%*	*1.2%*
NET MIGRATION										
Idaho (Thousands)	-1.487	-8.149	-12.390	-12.541	-6.249	-0.251	4.984	17.628	21.365	20.977
HOUSING										
HOUSING STARTS										
Idaho	4,548	4,337	4,164	3,409	3,334	4,674	5,832	6,600	9,583	11,456
% Ch	*2.1%*	*-4.6%*	*-4.0%*	*-18.1%*	*-2.2%*	*40.2%*	*24.8%*	*13.2%*	*45.2%*	*19.5%*
National (Millions)	1.766	1.741	1.812	1.631	1.488	1.382	1.203	1.009	1.201	1.292
% Ch	*3.6%*	*-1.4%*	*4.0%*	*-10.0%*	*-8.7%*	*-7.1%*	*-12.9%*	*-16.2%*	*19.1%*	*7.5%*
SINGLE UNITS										
Idaho	3,588	3,212	3,157	2,744	2,981	3,711	4,786	5,662	7,899	8,938
% Ch	*-4.5%*	*-10.5%*	*-1.7%*	*-13.1%*	*8.6%*	*24.5%*	*29.0%*	*18.3%*	*39.5%*	*13.2%*
National (Millions)	1.098	1.071	1.182	1.154	1.083	1.006	0.901	0.835	1.032	1.131
% Ch	*3.1%*	*-2.5%*	*10.4%*	*-2.4%*	*-6.2%*	*-7.1%*	*-10.5%*	*-7.3%*	*23.6%*	*9.6%*
MULTIPLE UNITS										
Idaho	961	1,125	1,007	665	353	963	1,046	938	1,684	2,518
% Ch	*37.6%*	*17.1%*	*-10.5%*	*-33.9%*	*-47.0%*	*173.2%*	*8.6%*	*-10.3%*	*79.6%*	*49.5%*
National (Millions)	0.668	0.671	0.630	0.476	0.405	0.376	0.303	0.174	0.170	0.161
% Ch	*4.3%*	*0.4%*	*-6.1%*	*-24.3%*	*-15.0%*	*-7.2%*	*-19.5%*	*-42.6%*	*-2.4%*	*-5.1%*
HOUSING STOCK										
Idaho (Thousands)	315.4	318.7	322.1	324.8	327.1	330.1	334.8	339.8	347.4	356.9
% Ch	*1.2%*	*1.0%*	*1.1%*	*0.8%*	*0.7%*	*0.9%*	*1.4%*	*1.5%*	*2.2%*	*2.8%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
OCTOBER 2000

DEMOGRAPHICS

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
POPULATION										
Idaho (Thousands)	1,131.0	1,159.9	1,186.7	1,211.0	1,231.0	1,251.8	1,273.5	1,293.9	1,312.1	1,328.4
% Ch	*3.0%*	*2.6%*	*2.3%*	*2.0%*	*1.7%*	*1.7%*	*1.7%*	*1.6%*	*1.4%*	*1.2%*
National (Millions)	260.9	263.4	265.8	268.4	270.6	273.1	275.6	278.1	280.6	283.1
% Ch	*1.0%*	*0.9%*	*0.9%*	*0.9%*	*0.8%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*
BIRTHS										
Idaho (Thousands)	17.690	17.915	18.482	18.599	19.188	19.646	19.839	19.982	20.051	20.049
% Ch	*0.7%*	*1.3%*	*3.2%*	*0.6%*	*3.2%*	*2.4%*	*1.0%*	*0.7%*	*0.3%*	*0.0%*
National (Thousands)	3,964.0	3,935.0	3,911.0	3,892.0	3,880.0	3,874.0	3,872.0	3,876.0	3,885.0	3,901.0
% Ch	*-0.8%*	*-0.7%*	*-0.6%*	*-0.5%*	*-0.3%*	*-0.2%*	*-0.1%*	*0.1%*	*0.2%*	*0.4%*
DEATHS										
Idaho (Thousands)	8.478	8.553	8.679	8.953	9.105	9.260	9.421	9.574	9.716	9.847
% Ch	*2.4%*	*0.9%*	*1.5%*	*3.2%*	*1.7%*	*1.7%*	*1.7%*	*1.6%*	*1.5%*	*1.3%*
National (Thousands)	2,264.0	2,291.0	2,318.0	2,345.0	2,372.0	2,399.0	2,424.0	2,446.0	2,467.0	2,487.0
% Ch	*1.2%*	*1.2%*	*1.2%*	*1.2%*	*1.2%*	*1.1%*	*1.0%*	*0.9%*	*0.9%*	*0.8%*
NET MIGRATION										
Idaho (Thousands)	23.411	19.563	16.982	14.572	9.966	10.439	11.306	9.918	7.938	6.051
HOUSING										
HOUSING STARTS										
Idaho	12,768	9,361	9,227	8,860	10,129	10,336	10,565	9,928	9,948	9,965
% Ch	*11.5%*	*-26.7%*	*-1.4%*	*-4.0%*	*14.3%*	*2.0%*	*2.2%*	*-6.0%*	*0.2%*	*0.2%*
National (Millions)	1.446	1.361	1.469	1.475	1.621	1.676	1.618	1.619	1.660	1.729
% Ch	*12.0%*	*-5.9%*	*7.9%*	*0.4%*	*9.9%*	*3.4%*	*-3.4%*	*0.0%*	*2.5%*	*4.2%*
SINGLE UNITS										
Idaho	9,423	7,282	7,853	7,661	9,045	9,199	9,471	9,146	9,264	9,274
% Ch	*5.4%*	*-22.7%*	*7.8%*	*-2.4%*	*18.1%*	*1.7%*	*3.0%*	*-3.4%*	*1.3%*	*0.1%*
National (Millions)	1.191	1.082	1.154	1.136	1.278	1.340	1.275	1.259	1.277	1.318
% Ch	*5.4%*	*-9.2%*	*6.7%*	*-1.6%*	*12.4%*	*4.9%*	*-4.9%*	*-1.2%*	*1.4%*	*3.3%*
MULTIPLE UNITS										
Idaho	3,345	2,079	1,374	1,199	1,083	1,137	1,094	782	684	690
% Ch	*32.9%*	*-37.9%*	*-33.9%*	*-12.7%*	*-9.6%*	*5.0%*	*-3.8%*	*-28.6%*	*-12.5%*	*0.9%*
National (Millions)	0.255	0.279	0.314	0.338	0.344	0.335	0.344	0.360	0.383	0.410
% Ch	*58.3%*	*9.4%*	*12.7%*	*7.6%*	*1.6%*	*-2.4%*	*2.5%*	*4.8%*	*6.3%*	*7.1%*
HOUSING STOCK										
Idaho (Thousands)	368.7	377.8	386.2	393.7	402.3	411.3	420.8	429.5	438.1	446.7
% Ch	*3.3%*	*2.4%*	*2.2%*	*1.9%*	*2.2%*	*2.2%*	*2.3%*	*2.1%*	*2.0%*	*2.0%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL
OCTOBER 2000

OUTPUT, INCOME, & WAGES

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
GROSS DOM. PRODUCT (Billions)										
Current Dollars	3,932.8	4,213.0	4,452.9	4,742.5	5,108.3	5,489.1	5,803.3	5,986.2	6,319.0	6,642.3
% Ch	*11.3%*	*7.1%*	*5.7%*	*6.5%*	*7.7%*	*7.5%*	*5.7%*	*3.2%*	*5.6%*	*5.1%*
1996 Chain-Weighted	5,505.1	5,717.0	5,912.4	6,113.3	6,368.3	6,591.8	6,707.9	6,676.4	6,880.1	7,062.6
% Ch	*7.3%*	*3.8%*	*3.4%*	*3.4%*	*4.2%*	*3.5%*	*1.8%*	*-0.5%*	*3.1%*	*2.7%*
PERSONAL INCOME - CURR $										
Idaho (Millions)	10,968	11,577	11,851	12,422	13,354	14,721	16,055	16,825	18,382	20,105
% Ch	*8.3%*	*5.6%*	*2.4%*	*4.8%*	*7.5%*	*10.2%*	*9.1%*	*4.8%*	*9.3%*	*9.4%*
Idaho Nonfarm (Millions)	10,466	11,119	11,377	11,838	12,722	13,863	15,081	16,026	17,581	19,040
% Ch	*9.7%*	*6.2%*	*2.3%*	*4.1%*	*7.5%*	*9.0%*	*8.8%*	*6.3%*	*9.7%*	*8.3%*
National (Billions)	3,275	3,515	3,712	3,963	4,272	4,600	4,903	5,085	5,390	5,610
% Ch	*11.1%*	*7.3%*	*5.6%*	*6.7%*	*7.8%*	*7.7%*	*6.6%*	*3.7%*	*6.0%*	*4.1%*
PERSONAL INCOME - 1996 $										
Idaho (Millions)	15,979	16,308	16,296	16,453	17,022	17,982	18,749	18,923	20,061	21,431
% Ch	*4.4%*	*2.1%*	*-0.1%*	*1.0%*	*3.5%*	*5.6%*	*4.3%*	*0.9%*	*6.0%*	*6.8%*
Idaho Nonfarm (Millions)	15,249	15,662	15,645	15,680	16,217	16,934	17,610	18,024	19,187	20,296
% Ch	*5.8%*	*2.7%*	*-0.1%*	*0.2%*	*3.4%*	*4.4%*	*4.0%*	*2.4%*	*6.5%*	*5.8%*
National (Billions)	4,772	4,951	5,105	5,249	5,447	5,619	5,726	5,720	5,883	5,980
% Ch	*7.2%*	*3.8%*	*3.1%*	*2.8%*	*3.8%*	*3.2%*	*1.9%*	*-0.1%*	*2.9%*	*1.7%*
PER CAPITA PERS INC - CURR $										
Idaho	11,061	11,649	11,965	12,591	13,510	14,769	15,884	16,217	17,208	18,302
% Ch	*7.3%*	*5.3%*	*2.7%*	*5.2%*	*7.3%*	*9.3%*	*7.5%*	*2.1%*	*6.1%*	*6.4%*
National	13,840	14,723	15,410	16,301	17,414	18,571	19,588	20,099	21,077	21,709
% Ch	*10.2%*	*6.4%*	*4.7%*	*5.8%*	*6.8%*	*6.6%*	*5.5%*	*2.6%*	*4.9%*	*3.0%*
PER CAPITA PERS INC - 1996 $										
Idaho	16,115	16,409	16,453	16,677	17,221	18,041	18,551	18,240	18,781	19,510
% Ch	*3.5%*	*1.8%*	*0.3%*	*1.4%*	*3.3%*	*4.8%*	*2.8%*	*-1.7%*	*3.0%*	*3.9%*
National	20,167	20,740	21,191	21,592	22,203	22,687	22,876	22,606	23,004	23,142
% Ch	*6.2%*	*2.8%*	*2.2%*	*1.9%*	*2.8%*	*2.2%*	*0.8%*	*-1.2%*	*1.8%*	*0.6%*
AVERAGE ANNUAL WAGE										
Idaho	16,061	16,648	17,183	17,620	18,337	18,893	19,760	20,556	21,477	21,962
% Ch	*3.8%*	*3.7%*	*3.2%*	*2.5%*	*4.1%*	*3.0%*	*4.6%*	*4.0%*	*4.5%*	*2.3%*
National	19,645	20,489	21,283	22,267	23,314	24,070	25,178	26,089	27,466	27,872
% Ch	*5.1%*	*4.3%*	*3.9%*	*4.6%*	*4.7%*	*3.2%*	*4.6%*	*3.6%*	*5.3%*	*1.5%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL
OCTOBER 2000

OUTPUT, INCOME, & WAGES

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
GROSS DOM. PRODUCT (Billions)										
Current Dollars	7,054.3	7,400.6	7,813.2	8,318.4	8,790.2	9,299.2	10,001.9	10,598.5	11,236.6	11,979.1
% Ch	*6.2%*	*4.9%*	*5.6%*	*6.5%*	*5.7%*	*5.8%*	*7.6%*	*6.0%*	*6.0%*	*6.6%*
1996 Chain-Weighted	7,347.7	7,543.8	7,813.1	8,159.5	8,515.7	8,875.8	9,336.8	9,671.4	10,078.5	10,551.0
% Ch	*4.0%*	*2.7%*	*3.6%*	*4.4%*	*4.4%*	*4.2%*	*5.2%*	*3.6%*	*4.2%*	*4.7%*
PERSONAL INCOME - CURR $										
Idaho (Millions)	21,399	22,869	24,174	25,440	27,177	29,386	31,371	33,568	35,649	37,895
% Ch	*6.4%*	*6.9%*	*5.7%*	*5.2%*	*6.8%*	*8.1%*	*6.8%*	*7.0%*	*6.2%*	*6.3%*
Idaho Nonfarm (Millions)	20,706	22,073	23,298	24,791	26,310	28,215	30,292	32,415	34,492	36,723
% Ch	*8.7%*	*6.6%*	*5.6%*	*6.4%*	*6.1%*	*7.2%*	*7.4%*	*7.0%*	*6.4%*	*6.5%*
National (Billions)	5,888	6,201	6,547	6,937	7,391	7,790	8,287	8,791	9,283	9,850
% Ch	*5.0%*	*5.3%*	*5.6%*	*6.0%*	*6.5%*	*5.4%*	*6.4%*	*6.1%*	*5.6%*	*6.1%*
PERSONAL INCOME - 1996 $										
Idaho (Millions)	22,357	23,359	24,172	24,954	26,376	28,025	29,175	30,617	31,995	33,401
% Ch	*4.3%*	*4.5%*	*3.5%*	*3.2%*	*5.7%*	*6.3%*	*4.1%*	*4.9%*	*4.5%*	*4.4%*
Idaho Nonfarm (Millions)	21,632	22,545	23,297	24,318	25,534	26,908	28,172	29,566	30,956	32,368
% Ch	*6.6%*	*4.2%*	*3.3%*	*4.4%*	*5.0%*	*5.4%*	*4.7%*	*4.9%*	*4.7%*	*4.6%*
National (Billions)	6,152	6,334	6,547	6,805	7,173	7,430	7,708	8,019	8,332	8,682
% Ch	*2.9%*	*3.0%*	*3.4%*	*3.9%*	*5.4%*	*3.6%*	*3.7%*	*4.0%*	*3.9%*	*4.2%*
PER CAPITA PERS INC - CURR $										
Idaho	18,918	19,715	20,369	21,007	22,076	23,473	24,631	25,942	27,168	28,526
% Ch	*3.4%*	*4.2%*	*3.3%*	*3.1%*	*5.1%*	*6.3%*	*4.9%*	*5.3%*	*4.7%*	*5.0%*
National	22,565	23,543	24,630	25,851	27,312	28,520	30,068	31,608	33,081	34,791
% Ch	*3.9%*	*4.3%*	*4.6%*	*5.0%*	*5.7%*	*4.4%*	*5.4%*	*5.1%*	*4.7%*	*5.2%*
PER CAPITA PERS INC - 1996 $										
Idaho	19,766	20,137	20,369	20,606	21,425	22,387	22,908	23,662	24,383	25,143
% Ch	*1.3%*	*1.9%*	*1.1%*	*1.2%*	*4.0%*	*4.5%*	*2.3%*	*3.3%*	*3.0%*	*3.1%*
National	23,577	24,049	24,630	25,358	26,508	27,203	27,966	28,832	29,691	30,667
% Ch	*1.9%*	*2.0%*	*2.4%*	*3.0%*	*4.5%*	*2.6%*	*2.8%*	*3.1%*	*3.0%*	*3.3%*
AVERAGE ANNUAL WAGE										
Idaho	22,723	23,620	24,110	24,815	25,813	27,151	28,226	29,542	30,872	32,308
% Ch	*3.5%*	*3.9%*	*2.1%*	*2.9%*	*4.0%*	*5.2%*	*4.0%*	*4.7%*	*4.5%*	*4.7%*
National	28,358	29,224	30,323	31,700	33,300	34,713	36,298	38,150	39,946	41,885
% Ch	*1.7%*	*3.1%*	*3.8%*	*4.5%*	*5.0%*	*4.2%*	*4.6%*	*5.1%*	*4.7%*	*4.9%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL
OCTOBER 2000

PERSONAL INCOME -- CURR $$

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
WAGE AND SALARY PAYMENTS										
Idaho (Millions)	5,588	5,883	5,930	6,171	6,704	7,247	7,971	8,533	9,307	9,991
% Ch	*7.4%*	*5.3%*	*0.8%*	*4.1%*	*8.6%*	*8.1%*	*10.0%*	*7.1%*	*9.1%*	*7.3%*
National (Billions)	1,855	1,995	2,114	2,270	2,453	2,597	2,755	2,824	2,983	3,085
% Ch	*10.1%*	*7.6%*	*6.0%*	*7.4%*	*8.0%*	*5.9%*	*6.1%*	*2.5%*	*5.6%*	*3.4%*
FARM PROPRIETORS INCOME										
Idaho (Millions)	346	303	331	443	471	683	771	601	603	839
% Ch	*-19.3%*	*-12.3%*	*9.0%*	*33.9%*	*6.4%*	*45.1%*	*12.8%*	*-22.1%*	*0.3%*	*39.3%*
National (Billions)	22	22	23	29	26	32	31	26	33	30
% Ch	*201.7%*	*-0.5%*	*6.8%*	*26.1%*	*-10.2%*	*23.3%*	*-3.0%*	*-15.3%*	*23.9%*	*-7.8%*
NONFARM PROPRIETORS INCOME										
Idaho (Millions)	1,045	1,128	1,171	1,249	1,368	1,483	1,563	1,515	1,833	2,139
% Ch	*23.8%*	*8.0%*	*3.8%*	*6.7%*	*9.5%*	*8.4%*	*5.4%*	*-3.1%*	*21.0%*	*16.7%*
National (Billions)	226	246	256	275	313	330	350	358	402	432
% Ch	*20.0%*	*8.7%*	*4.1%*	*7.5%*	*13.8%*	*5.4%*	*6.1%*	*2.3%*	*12.3%*	*7.5%*
DIVIDENDS, RENT & INTEREST										
Idaho (Millions)	2,193	2,338	2,393	2,444	2,587	2,912	3,122	3,254	3,367	3,554
% Ch	*13.3%*	*6.6%*	*2.3%*	*2.1%*	*5.9%*	*12.5%*	*7.2%*	*4.3%*	*3.5%*	*5.6%*
National (Billions)	636	683	718	758	824	932	987	1,006	999	1,019
% Ch	*15.1%*	*7.4%*	*5.1%*	*5.6%*	*8.8%*	*13.1%*	*5.9%*	*2.0%*	*-0.8%*	*2.1%*
OTHER LABOR INCOME										
Idaho (Millions)	763	818	838	888	943	1,029	1,143	1,265	1,415	1,591
% Ch	*9.0%*	*7.2%*	*2.5%*	*6.0%*	*6.2%*	*9.1%*	*11.2%*	*10.7%*	*11.8%*	*12.5%*
National (Billions)	262	282	298	319	336	361	390	416	450	483
% Ch	*9.9%*	*7.7%*	*5.7%*	*6.9%*	*5.4%*	*7.1%*	*8.2%*	*6.6%*	*8.2%*	*7.4%*
GOVT. TRANSFERS TO INDIV.										
Idaho (Millions)	1,333	1,440	1,522	1,572	1,680	1,812	1,972	2,192	2,442	2,626
% Ch	*2.5%*	*8.1%*	*5.7%*	*3.3%*	*6.9%*	*7.9%*	*8.8%*	*11.2%*	*11.4%*	*7.5%*
National (Billions)	393	421	449	469	497	540	594	670	752	799
% Ch	*2.9%*	*7.0%*	*6.7%*	*4.4%*	*6.0%*	*8.7%*	*10.0%*	*12.7%*	*12.2%*	*6.2%*
CONTRIB. FOR SOCIAL INSUR.										
Idaho (Millions)	377	417	434	454	525	587	641	704	756	817
% Ch	*9.0%*	*10.6%*	*4.1%*	*4.5%*	*15.7%*	*11.8%*	*9.2%*	*9.8%*	*7.5%*	*8.0%*
National (Billions)	118	134	146	157	177	192	204	215	227	238
% Ch	*11.6%*	*12.8%*	*8.9%*	*7.8%*	*12.8%*	*8.3%*	*6.3%*	*5.6%*	*5.3%*	*5.0%*
RESIDENCE ADJUSTMENT										
Idaho (Millions)	79	86	101	110	127	142	154	169	173	183
% Ch	*21.2%*	*8.9%*	*18.4%*	*8.9%*	*14.7%*	*12.3%*	*8.6%*	*9.2%*	*2.8%*	*5.3%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL
OCTOBER 2000

PERSONAL INCOME -- CURR $$

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
WAGE AND SALARY PAYMENTS										
Idaho (Millions)	10,916	11,725	12,316	13,121	13,966	15,172	16,308	17,499	18,691	20,007
% Ch	*9.3%*	*7.4%*	*5.0%*	*6.5%*	*6.4%*	*8.6%*	*7.5%*	*7.3%*	*6.8%*	*7.0%*
National (Billions)	3,237	3,425	3,627	3,889	4,191	4,470	4,771	5,064	5,364	5,724
% Ch	*4.9%*	*5.8%*	*5.9%*	*7.2%*	*7.8%*	*6.7%*	*6.7%*	*6.1%*	*5.9%*	*6.7%*
FARM PROPRIETORS INCOME										
Idaho (Millions)	410	496	585	311	532	808	674	740	743	752
% Ch	*-51.2%*	*21.1%*	*17.9%*	*-46.7%*	*70.8%*	*51.9%*	*-16.6%*	*9.9%*	*0.4%*	*1.3%*
National (Billions)	32	22	34	30	25	25	18	17	16	14
% Ch	*6.0%*	*-30.5%*	*54.3%*	*-13.3%*	*-14.3%*	*-0.5%*	*-27.1%*	*-7.9%*	*-6.6%*	*-14.8%*
NONFARM PROPRIETORS INCOME										
Idaho (Millions)	2,342	2,264	2,337	2,504	2,645	2,829	3,064	3,246	3,436	3,710
% Ch	*9.5%*	*-3.3%*	*3.2%*	*7.1%*	*5.6%*	*6.9%*	*8.3%*	*5.9%*	*5.9%*	*7.9%*
National (Billions)	445	476	510	551	595	638	694	734	776	836
% Ch	*3.0%*	*6.9%*	*7.4%*	*8.0%*	*7.9%*	*7.2%*	*8.8%*	*5.7%*	*5.7%*	*7.7%*
DIVIDENDS, RENT & INTEREST										
Idaho (Millions)	3,925	4,377	4,650	5,109	5,460	5,779	6,248	6,640	6,976	7,304
% Ch	*10.4%*	*11.5%*	*6.2%*	*9.9%*	*6.9%*	*5.8%*	*8.1%*	*6.3%*	*5.1%*	*4.7%*
National (Billions)	1,087	1,164	1,238	1,327	1,427	1,477	1,572	1,662	1,733	1,809
% Ch	*6.7%*	*7.1%*	*6.3%*	*7.2%*	*7.5%*	*3.5%*	*6.4%*	*5.8%*	*4.3%*	*4.4%*
OTHER LABOR INCOME										
Idaho (Millions)	1,725	1,714	1,728	1,750	1,799	1,904	2,006	2,126	2,242	2,381
% Ch	*8.4%*	*-0.6%*	*0.8%*	*1.3%*	*2.8%*	*5.9%*	*5.4%*	*5.9%*	*5.5%*	*6.2%*
National (Billions)	507	497	490	475	486	501	524	549	574	608
% Ch	*5.1%*	*-2.1%*	*-1.4%*	*-3.0%*	*2.1%*	*3.2%*	*4.6%*	*4.8%*	*4.6%*	*5.9%*
GOVT. TRANSFERS TO INDIV.										
Idaho (Millions)	2,777	3,012	3,285	3,395	3,552	3,727	3,950	4,231	4,529	4,767
% Ch	*5.8%*	*8.5%*	*9.1%*	*3.4%*	*4.6%*	*4.9%*	*6.0%*	*7.1%*	*7.0%*	*5.3%*
National (Billions)	834	886	929	962	983	1,016	1,069	1,141	1,217	1,281
% Ch	*4.4%*	*6.2%*	*4.8%*	*3.6%*	*2.2%*	*3.4%*	*5.2%*	*6.7%*	*6.7%*	*5.2%*
CONTRIB. FOR SOCIAL INSUR.										
Idaho (Millions)	900	949	987	1,044	1,097	1,182	1,262	1,330	1,416	1,509
% Ch	*10.2%*	*5.5%*	*4.0%*	*5.7%*	*5.1%*	*7.7%*	*6.8%*	*5.4%*	*6.5%*	*6.6%*
National (Billions)	254	269	280	298	316	338	361	376	397	422
% Ch	*6.8%*	*5.8%*	*4.3%*	*6.2%*	*6.2%*	*7.0%*	*6.5%*	*4.2%*	*5.6%*	*6.2%*
RESIDENCE ADJUSTMENT										
Idaho (Millions)	204	230	260	294	322	350	385	417	449	484
% Ch	*11.8%*	*12.9%*	*12.9%*	*12.9%*	*9.6%*	*8.9%*	*9.9%*	*8.3%*	*7.7%*	*7.8%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL
OCTOBER 2000

EMPLOYMENT

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
TOTAL NONFARM EMPLOYMENT										
Idaho	330,206	335,909	328,271	333,449	348,268	366,016	385,332	398,118	416,605	436,734
% Ch	*3.9%*	*1.7%*	*-2.3%*	*1.6%*	*4.4%*	*5.1%*	*5.3%*	*3.3%*	*4.6%*	*4.8%*
National (Thousands)	94,404	97,387	99,344	101,953	105,202	107,883	109,404	108,255	108,591	110,692
% Ch	*4.7%*	*3.2%*	*2.0%*	*2.6%*	*3.2%*	*2.5%*	*1.4%*	*-1.1%*	*0.3%*	*1.9%*
GOODS PRODUCING SECTOR										
Idaho	73,326	73,580	69,608	70,345	75,624	80,312	85,477	86,521	90,495	96,081
% Ch	*8.7%*	*0.3%*	*-5.4%*	*1.1%*	*7.5%*	*6.2%*	*6.4%*	*1.2%*	*4.6%*	*6.2%*
National (Thousands)	24,718	24,843	24,536	24,673	25,123	25,253	24,909	23,749	23,232	23,351
% Ch	*6.0%*	*0.5%*	*-1.2%*	*0.6%*	*1.8%*	*0.5%*	*-1.4%*	*-4.7%*	*-2.2%*	*0.5%*
MANUFACTURING										
Idaho	54,602	54,660	52,103	54,056	58,139	60,572	62,888	63,219	65,752	69,251
% Ch	*8.7%*	*0.1%*	*-4.7%*	*3.7%*	*7.6%*	*4.2%*	*3.8%*	*0.5%*	*4.0%*	*5.3%*
National (Thousands)	19,375	19,250	18,948	18,998	19,315	19,391	19,075	18,405	18,106	18,076
% Ch	*5.1%*	*-0.6%*	*-1.6%*	*0.3%*	*1.7%*	*0.4%*	*-1.6%*	*-3.5%*	*-1.6%*	*-0.2%*
DURABLE MANUFACTURING										
Idaho	27,566	26,759	25,524	26,831	29,560	32,176	34,065	33,144	34,794	37,497
% Ch	*8.4%*	*-2.9%*	*-4.6%*	*5.1%*	*10.2%*	*8.9%*	*5.9%*	*-2.7%*	*5.0%*	*7.8%*
National (Thousands)	11,477	11,458	11,195	11,154	11,363	11,394	11,107	10,568	10,279	10,222
% Ch	*7.2%*	*-0.2%*	*-2.3%*	*-0.4%*	*1.9%*	*0.3%*	*-2.5%*	*-4.9%*	*-2.7%*	*-0.6%*
LUMBER & WOOD PRODUCTS										
Idaho	14,213	13,506	13,240	13,379	13,984	14,747	14,897	13,470	14,004	14,409
% Ch	*2.5%*	*-5.0%*	*-2.0%*	*1.1%*	*4.5%*	*5.5%*	*1.0%*	*-9.6%*	*4.0%*	*2.9%*
National (Thousands)	718	711	724	754	768	757	733	675	680	709
% Ch	*7.1%*	*-0.9%*	*1.8%*	*4.1%*	*1.8%*	*-1.4%*	*-3.1%*	*-7.9%*	*0.7%*	*4.3%*
STONE, CLAY, GLASS, etc.										
Idaho	2,785	2,783	2,761	2,804	2,878	3,276	3,387	3,291	3,199	3,364
% Ch	*4.0%*	*-0.1%*	*-0.8%*	*1.6%*	*2.7%*	*13.8%*	*3.4%*	*-2.8%*	*-2.8%*	*5.2%*
National (Thousands)	2,023	2,021	1,977	1,954	1,996	2,014	1,975	1,877	1,843	1,856
% Ch	*6.0%*	*-0.1%*	*-2.2%*	*-1.2%*	*2.2%*	*0.9%*	*-1.9%*	*-5.0%*	*-1.8%*	*0.7%*
ELEC & NONELEC MACH										
Idaho	8,765	8,528	7,652	8,422	9,577	11,096	12,596	13,197	14,476	16,271
% Ch	*18.3%*	*-2.7%*	*-10.3%*	*10.1%*	*13.7%*	*15.9%*	*13.5%*	*4.8%*	*9.7%*	*12.4%*
National (Thousands)	4,087	4,054	3,864	3,777	3,853	3,869	3,768	3,591	3,457	3,456
% Ch	*8.8%*	*-0.8%*	*-4.7%*	*-2.2%*	*2.0%*	*0.4%*	*-2.6%*	*-4.7%*	*-3.7%*	*0.0%*
OTHER DURABLES										
Idaho	1,803	1,941	1,871	2,226	3,121	3,057	3,185	3,186	3,115	3,453
% Ch	*22.9%*	*7.7%*	*-3.6%*	*19.0%*	*40.2%*	*-2.0%*	*4.2%*	*0.0%*	*-2.2%*	*10.9%*
National (Thousands)	4,649	4,672	4,631	4,669	4,747	4,755	4,632	4,426	4,299	4,200
% Ch	*6.4%*	*0.5%*	*-0.9%*	*0.8%*	*1.7%*	*0.2%*	*-2.6%*	*-4.4%*	*-2.9%*	*-2.3%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL
OCTOBER 2000

EMPLOYMENT

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
TOTAL NONFARM EMPLOYMENT										
Idaho	461,160	477,369	492,557	508,743	521,543	539,128	557,328	572,339	586,070	600,360
% Ch	*5.6%*	*3.5%*	*3.2%*	*3.3%*	*2.5%*	*3.4%*	*3.4%*	*2.7%*	*2.4%*	*2.4%*
National (Thousands)	114,135	117,188	119,597	122,677	125,845	128,772	131,434	132,728	134,269	136,662
% Ch	*3.1%*	*2.7%*	*2.1%*	*2.6%*	*2.6%*	*2.3%*	*2.1%*	*1.0%*	*1.2%*	*1.8%*
GOODS PRODUCING SECTOR										
Idaho	103,290	103,401	106,562	109,904	111,247	113,565	116,638	118,683	120,222	122,855
% Ch	*7.5%*	*0.1%*	*3.1%*	*3.1%*	*1.2%*	*2.1%*	*2.7%*	*1.8%*	*1.3%*	*2.2%*
National (Thousands)	23,906	24,275	24,495	24,961	25,412	25,481	25,662	25,283	24,817	24,658
% Ch	*2.4%*	*1.5%*	*0.9%*	*1.9%*	*1.8%*	*0.3%*	*0.7%*	*-1.5%*	*-1.8%*	*-0.6%*
MANUFACTURING										
Idaho	71,888	71,044	72,906	74,611	76,121	76,131	77,659	79,989	81,968	84,582
% Ch	*3.8%*	*-1.2%*	*2.6%*	*2.3%*	*2.0%*	*0.0%*	*2.0%*	*3.0%*	*2.5%*	*3.2%*
National (Thousands)	18,323	18,526	18,496	18,675	18,806	18,543	18,451	18,063	17,531	17,230
% Ch	*1.4%*	*1.1%*	*-0.2%*	*1.0%*	*0.7%*	*-1.4%*	*-0.5%*	*-2.1%*	*-2.9%*	*-1.7%*
DURABLE MANUFACTURING										
Idaho	40,636	42,131	44,069	45,535	47,174	47,141	48,465	50,221	51,506	53,500
% Ch	*8.4%*	*3.7%*	*4.6%*	*3.3%*	*3.6%*	*-0.1%*	*2.8%*	*3.6%*	*2.6%*	*3.9%*
National (Thousands)	10,448	10,684	10,790	11,010	11,206	11,103	11,096	10,893	10,581	10,446
% Ch	*2.2%*	*2.3%*	*1.0%*	*2.0%*	*1.8%*	*-0.9%*	*-0.1%*	*-1.8%*	*-2.9%*	*-1.3%*
LUMBER & WOOD PRODUCTS										
Idaho	15,522	14,795	14,444	14,239	13,733	13,403	12,992	12,501	11,968	11,568
% Ch	*7.7%*	*-4.7%*	*-2.4%*	*-1.4%*	*-3.6%*	*-2.4%*	*-3.1%*	*-3.8%*	*-4.3%*	*-3.3%*
National (Thousands)	754	769	779	796	813	829	822	813	802	819
% Ch	*6.3%*	*2.0%*	*1.2%*	*2.2%*	*2.2%*	*1.9%*	*-0.8%*	*-1.1%*	*-1.4%*	*2.1%*
STONE, CLAY, GLASS, etc.										
Idaho	3,853	4,220	4,340	4,414	4,335	4,529	4,550	4,517	4,459	4,498
% Ch	*14.5%*	*9.5%*	*2.8%*	*1.7%*	*-1.8%*	*4.5%*	*0.5%*	*-0.7%*	*-1.3%*	*0.9%*
National (Thousands)	1,920	1,977	1,993	2,031	2,071	2,081	2,095	2,031	1,960	1,929
% Ch	*3.4%*	*3.0%*	*0.8%*	*1.9%*	*2.0%*	*0.5%*	*0.7%*	*-3.1%*	*-3.5%*	*-1.6%*
ELEC & NONELEC MACH										
Idaho	17,114	18,192	20,266	21,585	23,309	23,152	24,598	26,668	28,242	30,207
% Ch	*5.2%*	*6.3%*	*11.4%*	*6.5%*	*8.0%*	*-0.7%*	*6.2%*	*8.4%*	*5.9%*	*7.0%*
National (Thousands)	3,560	3,692	3,775	3,857	3,914	3,810	3,834	3,837	3,766	3,755
% Ch	*3.0%*	*3.7%*	*2.2%*	*2.2%*	*1.5%*	*-2.6%*	*0.6%*	*0.1%*	*-1.8%*	*-0.3%*
OTHER DURABLES										
Idaho	4,147	4,923	5,018	5,296	5,797	6,057	6,325	6,534	6,836	7,227
% Ch	*20.1%*	*18.7%*	*1.9%*	*5.5%*	*9.5%*	*4.5%*	*4.4%*	*3.3%*	*4.6%*	*5.7%*
National (Thousands)	4,214	4,246	4,243	4,326	4,408	4,383	4,344	4,212	4,053	3,944
% Ch	*0.3%*	*0.7%*	*-0.1%*	*1.9%*	*1.9%*	*-0.6%*	*-0.9%*	*-3.0%*	*-3.8%*	*-2.7%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL
OCTOBER 2000

EMPLOYMENT

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
MANUFACTURING (continued)										
NONDURABLE MANUFACTURING										
Idaho	27,036	27,901	26,579	27,225	28,579	28,396	28,824	30,075	30,958	31,754
% Ch	*8.9%*	*3.2%*	*-4.7%*	*2.4%*	*5.0%*	*-0.6%*	*1.5%*	*4.3%*	*2.9%*	*2.6%*
National (Thousands)	7,898	7,791	7,753	7,845	7,952	7,997	7,968	7,837	7,827	7,854
% Ch	*2.2%*	*-1.3%*	*-0.5%*	*1.2%*	*1.4%*	*0.6%*	*-0.4%*	*-1.6%*	*-0.1%*	*0.4%*
FOOD PROCESSING										
Idaho	16,622	16,580	15,412	16,099	17,336	16,984	16,805	17,487	17,819	18,564
% Ch	*2.2%*	*-0.3%*	*-7.0%*	*4.5%*	*7.7%*	*-2.0%*	*-1.1%*	*4.1%*	*1.9%*	*4.2%*
National (Thousands)	*1,612*	*1,601*	*1,607*	*1,617*	*1,626*	*1,645*	*1,661*	*1,667*	*1,662*	*1,680*
% Ch	*-0.2%*	*-0.7%*	*0.4%*	*0.6%*	*0.6%*	*1.1%*	*1.0%*	*0.4%*	*-0.3%*	*1.1%*
CANNED, CURED, & FROZEN										
Idaho	10,741	10,942	9,867	10,612	11,331	11,225	11,065	11,747	12,094	12,532
% Ch	*3.4%*	*1.9%*	*-9.8%*	*7.5%*	*6.8%*	*-0.9%*	*-1.4%*	*6.2%*	*3.0%*	*3.6%*
OTHER FOOD PROCESSING										
Idaho	5,881	5,638	5,544	5,487	6,004	5,759	5,740	5,740	5,725	6,033
% Ch	*0.0%*	*-4.1%*	*-1.7%*	*-1.0%*	*9.4%*	*-4.1%*	*-0.3%*	*0.0%*	*-0.3%*	*5.4%*
PAPER, PRINTING, PUBLISH.										
Idaho	5,474	5,984	5,946	6,067	6,373	6,592	6,976	7,179	7,172	7,145
% Ch	*9.3%*	*9.3%*	*-0.6%*	*2.0%*	*5.0%*	*3.4%*	*5.8%*	*2.9%*	*-0.1%*	*-0.4%*
National (Thousands)	2,049	2,097	2,123	2,177	2,232	2,251	2,266	2,223	2,197	2,209
% Ch	*5.0%*	*2.3%*	*1.2%*	*2.5%*	*2.5%*	*0.9%*	*0.6%*	*-1.9%*	*-1.2%*	*0.5%*
CHEMICALS										
Idaho	3,500	3,573	3,335	3,273	3,536	3,523	3,554	3,903	4,277	4,250
% Ch	*62.7%*	*2.1%*	*-6.6%*	*-1.9%*	*8.0%*	*-0.3%*	*0.9%*	*9.8%*	*9.6%*	*-0.6%*
National (Thousands)	1,049	1,044	1,021	1,025	1,057	1,074	1,086	1,076	1,084	1,081
% Ch	*0.6%*	*-0.5%*	*-2.2%*	*0.4%*	*3.2%*	*1.6%*	*1.1%*	*-0.9%*	*0.8%*	*-0.3%*
OTHER NONDURABLES										
Idaho	1,440	1,765	1,886	1,786	1,335	1,297	1,488	1,505	1,690	1,795
% Ch	*2.9%*	*22.6%*	*6.9%*	*-5.3%*	*-25.3%*	*-2.8%*	*14.8%*	*1.1%*	*12.3%*	*6.2%*
National (Thousands)	3,188	3,049	3,002	3,026	3,037	3,027	2,955	2,871	2,883	2,885
% Ch	*2.3%*	*-4.3%*	*-1.6%*	*0.8%*	*0.3%*	*-0.3%*	*-2.4%*	*-2.9%*	*0.4%*	*0.1%*
MINING										
Idaho	4,177	3,852	2,893	2,568	3,280	3,673	3,873	3,086	2,605	2,199
%Ch	*3.2%*	*-7.8%*	*-24.9%*	*-11.2%*	*27.7%*	*12.0%*	*5.4%*	*-20.3%*	*-15.6%*	*-15.6%*
National (Thousands)	965	927	777	717	712	691	709	689	634	609
%Ch	*1.4%*	*-4.0%*	*-16.1%*	*-7.7%*	*-0.7%*	*-3.0%*	*2.6%*	*-2.8%*	*-8.0%*	*-3.9%*
METAL MINING										
Idaho	2,803	2,599	1,919	1,595	2,140	2,612	2,754	1,994	1,453	1,007
%Ch	*6.3%*	*-7.3%*	*-26.2%*	*-16.9%*	*34.2%*	*22.1%*	*5.5%*	*-27.6%*	*-27.1%*	*-30.7%*
OTHER MINING										
Idaho	1,373	1,253	973	973	1,140	1,061	1,119	1,092	1,152	1,192
% Ch	*-2.7%*	*-8.8%*	*-22.3%*	*0.0%*	*17.2%*	*-6.9%*	*5.4%*	*-2.4%*	*5.5%*	*3.5%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL
OCTOBER 2000

EMPLOYMENT

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
MANUFACTURING (continued)										
NONDURABLE MANUFACTURING										
Idaho	31,252	28,913	28,837	29,076	28,947	28,990	29,194	29,768	30,462	31,082
% Ch	*-1.6%*	*-7.5%*	*-0.3%*	*0.8%*	*-0.4%*	*0.1%*	*0.7%*	*2.0%*	*2.3%*	*2.0%*
National (Thousands)	7,875	7,842	7,707	7,665	7,600	7,440	7,355	7,170	6,950	6,784
% Ch	*0.3%*	*-0.4%*	*-1.7%*	*-0.5%*	*-0.8%*	*-2.1%*	*-1.1%*	*-2.5%*	*-3.1%*	*-2.4%*
FOOD PROCESSING										
Idaho	18,020	17,506	17,465	17,659	17,288	17,291	17,255	17,673	17,965	18,104
% Ch	*-2.9%*	*-2.9%*	*-0.2%*	*1.1%*	*-2.1%*	*0.0%*	*-0.2%*	*2.4%*	*1.6%*	*0.8%*
National (Thousands)	*1,679*	*1,693*	*1,692*	*1,685*	*1,683*	*1,677*	*1,678*	*1,674*	*1,640*	*1,605*
% Ch	*-0.1%*	*0.8%*	*0.0%*	*-0.4%*	*-0.1%*	*-0.4%*	*0.1%*	*-0.2%*	*-2.0%*	*-2.2%*
CANNED, CURED, & FROZEN										
Idaho	11,705	10,864	10,680	10,551	9,996	9,958	9,817	10,076	10,220	10,315
% Ch	*-6.6%*	*-7.2%*	*-1.7%*	*-1.2%*	*-5.3%*	*-0.4%*	*-1.4%*	*2.6%*	*1.4%*	*0.9%*
OTHER FOOD PROCESSING										
Idaho	6,314	6,641	6,785	7,107	7,292	7,333	7,438	7,597	7,744	7,789
% Ch	*4.7%*	*5.2%*	*2.2%*	*4.8%*	*2.6%*	*0.6%*	*1.4%*	*2.1%*	*1.9%*	*0.6%*
PAPER, PRINTING, PUBLISH.										
Idaho	7,090	7,118	7,191	7,215	7,441	7,393	7,574	7,584	7,748	7,967
% Ch	*-0.8%*	*0.4%*	*1.0%*	*0.3%*	*3.1%*	*-0.6%*	*2.4%*	*0.1%*	*2.2%*	*2.8%*
National (Thousands)	2,230	2,239	2,224	2,235	2,242	2,221	2,212	2,162	2,093	2,039
% Ch	*0.9%*	*0.4%*	*-0.7%*	*0.5%*	*0.3%*	*-0.9%*	*-0.4%*	*-2.3%*	*-3.2%*	*-2.6%*
CHEMICALS										
Idaho	4,135	2,345	2,333	2,285	2,358	2,302	2,271	2,301	2,418	2,550
% Ch	*-2.7%*	*-43.3%*	*-0.5%*	*-2.1%*	*3.2%*	*-2.4%*	*-1.3%*	*1.3%*	*5.1%*	*5.5%*
National (Thousands)	1,057	1,038	1,034	1,036	1,043	1,034	1,025	1,008	978	956
% Ch	*-2.2%*	*-1.8%*	*-0.4%*	*0.2%*	*0.7%*	*-0.9%*	*-0.8%*	*-1.6%*	*-3.0%*	*-2.3%*
OTHER NONDURABLES										
Idaho	2,008	1,943	1,848	1,917	1,860	2,004	2,094	2,210	2,332	2,461
% Ch	*11.9%*	*-3.2%*	*-4.9%*	*3.7%*	*-3.0%*	*7.7%*	*4.5%*	*5.5%*	*5.5%*	*5.5%*
National (Thousands)	2,910	2,872	2,757	2,709	2,632	2,509	2,440	2,326	2,239	2,184
% Ch	*0.9%*	*-1.3%*	*-4.0%*	*-1.7%*	*-2.8%*	*-4.7%*	*-2.7%*	*-4.7%*	*-3.8%*	*-2.4%*
MINING										
Idaho	2,419	2,726	3,063	3,098	2,903	2,582	2,389	2,243	2,177	2,072
%Ch	*10.0%*	*12.7%*	*12.3%*	*1.2%*	*-6.3%*	*-11.0%*	*-7.5%*	*-6.1%*	*-2.9%*	*-4.8%*
National (Thousands)	601	581	580	597	590	535	538	519	501	494
%Ch	*-1.5%*	*-3.3%*	*-0.1%*	*2.9%*	*-1.1%*	*-9.2%*	*0.5%*	*-3.5%*	*-3.5%*	*-1.4%*
METAL MINING										
Idaho	1,211	1,593	1,848	1,843	1,692	1,427	1,317	1,247	1,175	1,050
%Ch	*20.2%*	*31.6%*	*16.0%*	*-0.3%*	*-8.2%*	*-15.7%*	*-7.7%*	*-5.3%*	*-5.7%*	*-10.7%*
OTHER MINING										
Idaho	1,208	1,133	1,215	1,255	1,210	1,155	1,072	996	1,002	1,022
% Ch	*1.4%*	*-6.2%*	*7.2%*	*3.4%*	*-3.6%*	*-4.6%*	*-7.2%*	*-7.1%*	*0.5%*	*2.0%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL
OCTOBER 2000

EMPLOYMENT

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
GOODS PRODUCING (continued)										
CONSTRUCTION										
Idaho	14,547	15,067	14,612	13,721	14,205	16,067	18,716	20,216	22,139	24,631
% Ch	*10.8%*	*3.6%*	*-3.0%*	*-6.1%*	*3.5%*	*13.1%*	*16.5%*	*8.0%*	*9.5%*	*11.3%*
National (Thousands)	4,378	4,667	4,810	4,958	5,096	5,171	5,125	4,655	4,492	4,665
% Ch	*11.0%*	*6.6%*	*3.1%*	*3.1%*	*2.8%*	*1.5%*	*-0.9%*	*-9.2%*	*-3.5%*	*3.9%*
SERVICE PRODUCING SECTOR										
Idaho	256,880	262,330	258,663	263,104	272,644	285,704	299,854	311,597	326,110	340,653
% Ch	*2.6%*	*2.1%*	*-1.4%*	*1.7%*	*3.6%*	*4.8%*	*5.0%*	*3.9%*	*4.7%*	*4.5%*
National (Thousands)	69,686	72,544	74,809	77,280	80,079	82,630	84,495	84,506	85,359	87,341
% Ch	*4.3%*	*4.1%*	*3.1%*	*3.3%*	*3.6%*	*3.2%*	*2.3%*	*0.0%*	*1.0%*	*2.3%*
FINANCE, INSUR, REAL ESTATE										
Idaho	23,458	23,671	18,878	19,125	19,270	19,291	19,838	20,626	21,457	22,756
% Ch	*1.9%*	*0.9%*	*-20.2%*	*1.3%*	*0.8%*	*0.1%*	*2.8%*	*4.0%*	*4.0%*	*6.1%*
National (Thousands)	5,684	5,948	6,272	6,533	6,629	6,669	6,709	6,647	6,602	6,757
% Ch	*4.0%*	*4.7%*	*5.4%*	*4.2%*	*1.5%*	*0.6%*	*0.6%*	*-0.9%*	*-0.7%*	*2.3%*
TRANS, COMMUN, PUBLIC UTIL										
Idaho	19,068	19,281	18,282	17,920	18,487	19,257	19,788	20,031	20,342	20,879
% Ch	*-0.2%*	*1.1%*	*-5.2%*	*-2.0%*	*3.2%*	*4.2%*	*2.8%*	*1.2%*	*1.6%*	*2.6%*
National (Thousands)	5,156	5,233	5,247	5,362	5,512	5,614	5,776	5,755	5,718	5,811
% Ch	*4.1%*	*1.5%*	*0.3%*	*2.2%*	*2.8%*	*1.9%*	*2.9%*	*-0.4%*	*-0.6%*	*1.6%*
TRADE										
Idaho	82,982	84,148	83,886	84,892	87,339	93,122	97,089	100,986	105,894	109,372
% Ch	*4.6%*	*1.4%*	*-0.3%*	*1.2%*	*2.9%*	*6.6%*	*4.3%*	*4.0%*	*4.9%*	*3.3%*
National (Thousands)	22,078	23,041	23,641	24,269	25,055	25,664	25,774	25,363	25,352	25,753
% Ch	*5.8%*	*4.4%*	*2.6%*	*2.7%*	*3.2%*	*2.4%*	*0.4%*	*-1.6%*	*0.0%*	*1.6%*
SERVICES										
Idaho	62,474	65,060	66,655	67,956	71,913	76,161	81,750	85,621	90,396	97,221
% Ch	*2.4%*	*4.1%*	*2.5%*	*2.0%*	*5.8%*	*5.9%*	*7.3%*	*4.7%*	*5.6%*	*7.6%*
National (Thousands)	20,745	21,927	22,957	24,109	25,500	26,904	27,930	28,335	29,047	30,193
% Ch	*5.5%*	*5.7%*	*4.7%*	*5.0%*	*5.8%*	*5.5%*	*3.8%*	*1.5%*	*2.5%*	*3.9%*
STATE & LOCAL GOVERNMENT										
Idaho	57,146	58,380	59,135	61,123	63,156	65,184	68,334	71,423	74,562	76,844
% Ch	*2.2%*	*2.2%*	*1.3%*	*3.4%*	*3.3%*	*3.2%*	*4.8%*	*4.5%*	*4.4%*	*3.1%*
National (Thousands)	13,216	13,519	13,792	14,065	14,411	14,791	15,220	15,439	15,672	15,913
% Ch	*0.9%*	*2.3%*	*2.0%*	*2.0%*	*2.5%*	*2.6%*	*2.9%*	*1.4%*	*1.5%*	*1.5%*
Idaho Education	31,439	32,317	32,845	33,422	34,572	35,603	37,263	38,840	40,454	42,027
% Ch	*3.7%*	*2.8%*	*1.6%*	*1.8%*	*3.4%*	*3.0%*	*4.7%*	*4.2%*	*4.2%*	*3.9%*
Idaho Other	25,707	26,064	26,290	27,701	28,583	29,581	31,071	32,583	34,108	34,817
% Ch	*0.3%*	*1.4%*	*0.9%*	*5.4%*	*3.2%*	*3.5%*	*5.0%*	*4.9%*	*4.7%*	*2.1%*
FEDERAL GOVERNMENT										
Idaho	11,751	11,790	11,827	12,088	12,479	12,690	13,057	12,909	13,460	13,581
% Ch	*-1.7%*	*0.3%*	*0.3%*	*2.2%*	*3.2%*	*1.7%*	*2.9%*	*-1.1%*	*4.3%*	*0.9%*
National (Thousands)	2,807	2,875	2,899	2,943	2,972	2,989	3,086	2,967	2,968	2,914
% Ch	*1.2%*	*2.4%*	*0.8%*	*1.5%*	*1.0%*	*0.6%*	*3.3%*	*-3.9%*	*0.0%*	*-1.8%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL
OCTOBER 2000

EMPLOYMENT

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
GOODS PRODUCING (continued)										
CONSTRUCTION										
Idaho	28,983	29,631	30,594	32,195	32,223	34,852	36,590	36,451	36,077	36,201
% Ch	*17.7%*	*2.2%*	*3.2%*	*5.2%*	*0.1%*	*8.2%*	*5.0%*	*-0.4%*	*-1.0%*	*0.3%*
National (Thousands)	4,982	5,168	5,418	5,689	6,016	6,402	6,673	6,701	6,785	6,934
% Ch	*6.8%*	*3.7%*	*4.8%*	*5.0%*	*5.7%*	*6.4%*	*4.2%*	*0.4%*	*1.3%*	*2.2%*
SERVICE PRODUCING SECTOR										
Idaho	357,870	373,967	385,995	398,839	410,296	425,563	440,689	453,655	465,848	477,506
% Ch	*5.1%*	*4.5%*	*3.2%*	*3.3%*	*2.9%*	*3.7%*	*3.6%*	*2.9%*	*2.7%*	*2.5%*
National (Thousands)	90,229	92,913	95,103	97,716	100,433	103,290	105,773	107,445	109,452	112,004
% Ch	*3.3%*	*3.0%*	*2.4%*	*2.7%*	*2.8%*	*2.8%*	*2.4%*	*1.6%*	*1.9%*	*2.3%*
FINANCE, INSUR, REAL ESTATE										
Idaho	24,101	24,969	25,174	25,392	22,923	23,558	23,619	23,861	24,195	24,477
% Ch	*5.9%*	*3.6%*	*0.8%*	*0.9%*	*-9.7%*	*2.8%*	*0.3%*	*1.0%*	*1.4%*	*1.2%*
National (Thousands)	6,895	6,808	6,911	7,108	7,388	7,570	7,628	7,779	7,948	8,119
% Ch	*2.0%*	*-1.3%*	*1.5%*	*2.8%*	*3.9%*	*2.5%*	*0.8%*	*2.0%*	*2.2%*	*2.2%*
TRANS, COMMUN, PUBLIC UTIL										
Idaho	21,876	22,703	23,403	24,244	25,493	26,893	27,875	28,235	28,581	28,928
% Ch	*4.8%*	*3.8%*	*3.1%*	*3.6%*	*5.2%*	*5.5%*	*3.7%*	*1.3%*	*1.2%*	*1.2%*
National (Thousands)	5,985	6,134	6,254	6,408	6,611	6,824	6,974	7,026	7,128	7,272
% Ch	*3.0%*	*2.5%*	*2.0%*	*2.5%*	*3.2%*	*3.2%*	*2.2%*	*0.7%*	*1.5%*	*2.0%*
TRADE										
Idaho	116,689	121,402	125,180	129,002	132,601	136,244	141,048	146,559	151,536	156,365
% Ch	*6.7%*	*4.0%*	*3.1%*	*3.1%*	*2.8%*	*2.7%*	*3.5%*	*3.9%*	*3.4%*	*3.2%*
National (Thousands)	26,664	27,564	28,078	28,614	29,095	29,712	30,227	30,469	30,541	31,052
% Ch	*3.5%*	*3.4%*	*1.9%*	*1.9%*	*1.7%*	*2.1%*	*1.7%*	*0.8%*	*0.2%*	*1.7%*
SERVICES										
Idaho	102,832	110,108	115,980	122,630	128,755	135,749	143,439	149,551	154,643	159,541
% Ch	*5.8%*	*7.1%*	*5.3%*	*5.7%*	*5.0%*	*5.4%*	*5.7%*	*4.3%*	*3.4%*	*3.2%*
National (Thousands)	31,575	33,115	34,456	36,038	37,528	39,024	40,398	41,591	43,062	44,615
% Ch	*4.6%*	*4.9%*	*4.0%*	*4.6%*	*4.1%*	*4.0%*	*3.5%*	*3.0%*	*3.5%*	*3.6%*
STATE & LOCAL GOVERNMENT										
Idaho	78,878	81,673	83,361	84,533	87,724	90,284	91,533	92,907	94,168	95,464
% Ch	*2.6%*	*3.5%*	*2.1%*	*1.4%*	*3.8%*	*2.9%*	*1.4%*	*1.5%*	*1.4%*	*1.4%*
National (Thousands)	16,241	16,472	16,648	16,849	17,126	17,492	17,770	17,969	18,147	18,328
% Ch	*2.1%*	*1.4%*	*1.1%*	*1.2%*	*1.6%*	*2.1%*	*1.6%*	*1.1%*	*1.0%*	*1.0%*
Idaho Education	42,726	44,839	45,829	46,020	47,895	49,404	50,155	51,148	52,139	53,212
% Ch	*1.7%*	*4.9%*	*2.2%*	*0.4%*	*4.1%*	*3.2%*	*1.5%*	*2.0%*	*1.9%*	*2.1%*
Idaho Other	36,152	36,834	37,531	38,514	39,829	40,880	41,378	41,758	42,029	42,252
% Ch	*3.8%*	*1.9%*	*1.9%*	*2.6%*	*3.4%*	*2.6%*	*1.2%*	*0.9%*	*0.6%*	*0.5%*
FEDERAL GOVERNMENT										
Idaho	13,494	13,112	12,896	13,037	12,798	12,834	13,175	12,543	12,724	12,730
% Ch	*-0.6%*	*-2.8%*	*-1.6%*	*1.1%*	*-1.8%*	*0.3%*	*2.7%*	*-4.8%*	*1.4%*	*0.1%*
National (Thousands)	2,870	2,821	2,757	2,699	2,686	2,669	2,775	2,611	2,627	2,618
% Ch	*-1.5%*	*-1.7%*	*-2.3%*	*-2.1%*	*-0.5%*	*-0.6%*	*4.0%*	*-5.9%*	*0.6%*	*-0.3%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL
OCTOBER 2000

MISCELLANEOUS

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
FEDERAL TRANSFERS TO STATE & LOCAL GOVERNMENTS										
Idaho (Millions)	364.0	418.5	448.0	423.0	456.2	524.2	553.0	590.9	667.9	723.9
% Ch	*3.6%*	*15.0%*	*7.1%*	*-5.6%*	*7.8%*	*14.9%*	*5.5%*	*6.8%*	*13.0%*	*8.4%*
National (Billions)	76.7	80.9	87.6	83.9	91.6	98.3	111.4	131.6	149.1	162.6
% Ch	*7.1%*	*5.4%*	*8.4%*	*-4.3%*	*9.2%*	*7.3%*	*13.3%*	*18.1%*	*13.3%*	*9.1%*
SELECTED CHAIN-WEIGHTED DEFL.										
Gross Domestic Product	71.4	73.7	75.3	77.6	80.2	83.3	86.5	89.7	91.8	94.1
% Ch	*3.7%*	*3.2%*	*2.2%*	*3.0%*	*3.4%*	*3.8%*	*3.9%*	*3.6%*	*2.4%*	*2.4%*
Consumption Expenditures	68.6	71.0	72.7	75.5	78.4	81.9	85.6	88.9	91.6	93.8
% Ch	*3.7%*	*3.4%*	*2.4%*	*3.8%*	*3.9%*	*4.4%*	*4.6%*	*3.8%*	*3.1%*	*2.4%*
Durable Goods	87.6	88.6	89.7	92.2	93.5	95.1	96.0	97.4	98.3	99.1
% Ch	*1.4%*	*1.2%*	*1.2%*	*2.8%*	*1.4%*	*1.8%*	*0.9%*	*1.4%*	*0.9%*	*0.8%*
Nondurable Goods	75.6	77.3	77.0	79.7	82.3	86.3	91.0	93.8	95.2	96.1
% Ch	*2.4%*	*2.2%*	*-0.4%*	*3.4%*	*3.4%*	*4.8%*	*5.5%*	*3.1%*	*1.5%*	*1.0%*
Services	61.4	64.4	67.3	70.2	73.6	77.1	80.9	84.8	88.5	91.6
% Ch	*5.2%*	*4.9%*	*4.6%*	*4.3%*	*4.9%*	*4.8%*	*5.0%*	*4.8%*	*4.3%*	*3.5%*
Cons. Price Index (1982-84)	103.9	107.6	109.7	113.7	118.4	124.0	130.8	136.3	140.4	144.6
% Ch	*4.4%*	*3.5%*	*1.9%*	*3.7%*	*4.1%*	*4.8%*	*5.4%*	*4.2%*	*3.0%*	*3.0%*
SELECTED INTEREST RATES										
Federal Funds	10.23%	8.10%	6.81%	6.66%	7.57%	9.22%	8.10%	5.69%	3.52%	3.02%
Prime	12.04%	9.93%	8.33%	8.20%	9.32%	10.87%	10.01%	8.46%	6.25%	6.00%
Existing Home Mortgage	12.49%	11.74%	10.25%	9.28%	9.31%	10.11%	10.04%	9.30%	8.11%	7.16%
U.S. Govt. 3-Month Bills	9.52%	7.48%	5.98%	5.78%	6.67%	8.11%	7.49%	5.38%	3.43%	3.00%
SELECTED US PRODUCTION INDICES										
Lumber & Wood Products	81.6	83.6	90.5	95.3	95.5	94.7	92.3	85.9	90.8	91.5
% Ch	*7.8%*	*2.4%*	*8.3%*	*5.3%*	*0.2%*	*-0.8%*	*-2.6%*	*-6.9%*	*5.8%*	*0.8%*
Office & Computer Equip.	14.2	17.0	18.1	21.0	25.2	28.0	27.5	27.8	33.8	41.0
% Ch	*42.2%*	*19.8%*	*6.7%*	*15.9%*	*19.9%*	*11.2%*	*-1.9%*	*1.1%*	*21.4%*	*21.2%*
Electrical Machinery	32.3	33.1	34.4	36.6	39.9	41.5	42.5	43.4	48.4	53.0
% Ch	*19.3%*	*2.6%*	*3.7%*	*6.6%*	*9.1%*	*3.9%*	*2.3%*	*2.1%*	*11.6%*	*9.4%*
Electronic Components	11.3	11.5	12.3	14.5	16.3	18.2	20.1	22.5	27.8	31.8
% Ch	*36.2%*	*1.6%*	*7.3%*	*17.4%*	*12.7%*	*11.5%*	*10.4%*	*12.2%*	*23.7%*	*14.3%*
Food	82.0	84.3	86.5	88.8	90.0	91.0	92.1	93.4	94.9	96.8
% Ch	*2.1%*	*2.9%*	*2.6%*	*2.6%*	*1.4%*	*1.1%*	*1.2%*	*1.4%*	*1.6%*	*2.0%*
Paper	78.2	77.1	81.2	83.6	86.2	87.7	88.2	89.0	91.9	95.6
% Ch	*4.9%*	*-1.4%*	*5.3%*	*3.0%*	*3.1%*	*1.7%*	*0.6%*	*0.8%*	*3.3%*	*4.0%*
Agricultural Chemicals	83.8	78.9	73.1	82.6	87.9	95.0	98.1	95.4	97.7	98.5
% Ch	*16.5%*	*-5.8%*	*-7.4%*	*13.1%*	*6.4%*	*8.1%*	*3.3%*	*-2.8%*	*2.5%*	*0.8%*
Metals & Minerals Mining	68.6	69.5	70.2	73.4	80.4	85.2	89.3	86.4	90.7	91.5
% Ch	*10.8%*	*1.4%*	*1.0%*	*4.5%*	*9.5%*	*6.0%*	*4.8%*	*-3.3%*	*5.0%*	*0.8%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

IDAHO ECONOMIC FORECAST

ANNUAL DETAIL
OCTOBER 2000

MISCELLANEOUS

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
FEDERAL TRANSFERS TO										
STATE & LOCAL GOVERNMENTS										
Idaho (Millions)	766.2	835.6	910.5	941.3	1,000.2	1,093.4	1,156.8	1,242.6	1,326.5	1,413.9
% Ch	*5.8%*	*9.1%*	*9.0%*	*3.4%*	*6.3%*	*9.3%*	*5.8%*	*7.4%*	*6.7%*	*6.6%*
National (Billions)	174.5	184.5	190.4	196.8	209.1	229.3	242.1	260.3	278.2	297.1
% Ch	*7.3%*	*5.7%*	*3.2%*	*3.3%*	*6.3%*	*9.7%*	*5.6%*	*7.5%*	*6.9%*	*6.8%*
SELECTED CHAIN-WEIGHTED DEFL.										
Gross Domestic Product	96.0	98.1	100.0	101.9	103.2	104.8	107.1	109.6	111.5	113.6
% Ch	*2.1%*	*2.2%*	*1.9%*	*1.9%*	*1.3%*	*1.5%*	*2.3%*	*2.3%*	*1.7%*	*1.8%*
Consumption Expenditures	95.7	97.9	100.0	101.9	103.0	104.8	107.5	109.6	111.4	113.4
% Ch	*2.0%*	*2.3%*	*2.1%*	*1.9%*	*1.1%*	*1.8%*	*2.5%*	*2.0%*	*1.6%*	*1.8%*
Durable Goods	100.6	101.1	100.0	97.7	95.4	93.1	91.8	91.0	90.2	89.7
% Ch	*1.5%*	*0.5%*	*-1.0%*	*-2.3%*	*-2.4%*	*-2.4%*	*-1.4%*	*-0.8%*	*-0.9%*	*-0.6%*
Nondurable Goods	96.8	97.9	100.0	101.3	101.4	103.7	107.7	109.5	110.6	112.2
% Ch	*0.7%*	*1.1%*	*2.1%*	*1.3%*	*0.0%*	*2.3%*	*3.8%*	*1.7%*	*1.0%*	*1.4%*
Services	94.2	97.3	100.0	103.1	105.5	108.0	111.0	114.0	116.7	119.7
% Ch	*2.8%*	*3.3%*	*2.8%*	*3.1%*	*2.3%*	*2.4%*	*2.8%*	*2.7%*	*2.4%*	*2.5%*
Cons. Price Index (1982-84)	148.3	152.5	157.0	160.6	163.1	166.7	172.1	176.0	179.0	182.3
% Ch	*2.6%*	*2.8%*	*2.9%*	*2.3%*	*1.6%*	*2.2%*	*3.3%*	*2.2%*	*1.7%*	*1.9%*
SELECTED INTEREST RATES										
Federal Funds	4.20%	5.84%	5.30%	5.46%	5.35%	4.97%	6.24%	6.44%	6.09%	6.01%
Prime	7.14%	8.83%	8.27%	8.44%	8.35%	7.99%	9.23%	9.44%	8.90%	8.26%
Existing Home Mortgage	7.47%	7.85%	7.71%	7.68%	7.10%	7.33%	7.98%	7.52%	7.10%	6.93%
U.S. Govt. 3-Month Bills	4.25%	5.49%	5.01%	5.06%	4.78%	4.64%	5.82%	5.90%	5.62%	5.56%
SELECTED US PRODUCTION INDICES										
Lumber & Wood Products	96.2	98.0	100.0	104.5	107.7	110.3	107.5	105.3	103.9	107.2
% Ch	*5.1%*	*1.9%*	*2.0%*	*4.5%*	*3.1%*	*2.4%*	*-2.6%*	*-2.0%*	*-1.4%*	*3.1%*
Office & Computer Equip.	51.7	70.5	100.0	136.4	228.1	360.7	515.0	645.7	748.8	867.7
% Ch	*26.1%*	*36.5%*	*41.8%*	*36.4%*	*67.2%*	*58.1%*	*42.8%*	*25.4%*	*16.0%*	*15.9%*
Electrical Machinery	63.2	80.2	100.0	125.9	152.5	186.8	254.7	301.3	328.6	365.0
% Ch	*19.3%*	*27.0%*	*24.7%*	*25.9%*	*21.2%*	*22.5%*	*36.3%*	*18.3%*	*9.0%*	*11.1%*
Electronic Components	42.2	67.1	100.0	150.5	213.9	310.2	528.0	674.7	771.8	891.3
% Ch	*32.6%*	*59.0%*	*49.1%*	*50.5%*	*42.1%*	*45.0%*	*70.2%*	*27.8%*	*14.4%*	*15.5%*
Food	98.4	100.4	100.0	102.3	103.7	104.6	106.0	108.9	111.6	113.4
% Ch	*1.6%*	*2.1%*	*-0.4%*	*2.3%*	*1.4%*	*0.8%*	*1.4%*	*2.8%*	*2.5%*	*1.6%*
Paper	99.7	100.7	100.0	105.1	105.6	106.8	106.5	108.2	113.6	118.0
% Ch	*4.2%*	*1.1%*	*-0.7%*	*5.1%*	*0.5%*	*1.2%*	*-0.3%*	*1.6%*	*5.0%*	*3.9%*
Agricultural Chemicals	98.2	98.0	100.0	103.6	108.3	109.2	102.3	107.9	113.6	117.4
% Ch	*-0.4%*	*-0.2%*	*2.0%*	*3.6%*	*4.6%*	*0.8%*	*-6.3%*	*5.4%*	*5.3%*	*3.3%*
Metals & Minerals Mining	95.3	98.0	100.0	105.2	106.6	103.1	103.0	105.3	108.9	113.5
% Ch	*4.2%*	*2.9%*	*2.0%*	*5.2%*	*1.3%*	*-3.3%*	*-0.1%*	*2.2%*	*3.4%*	*4.2%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2000

DEMOGRAPHICS

	1998				1999				2000			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
POPULATION												
Idaho (Thousands)	1,223.9	1,228.6	1,233.4	1,238.1	1,243.5	1,249.1	1,254.5	1,260.2	1,265.6	1,271.1	1,276.2	1,281.3
% Ch	*1.6%*	*1.5%*	*1.6%*	*1.5%*	*1.8%*	*1.8%*	*1.7%*	*1.8%*	*1.7%*	*1.8%*	*1.6%*	*1.6%*
National (Millions)	269.7	270.3	270.9	271.6	272.2	272.8	273.4	274.1	274.7	275.3	275.9	276.6
% Ch	*0.6%*	*1.0%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*
BIRTHS												
Idaho (Thousands)	18.856	19.077	19.300	19.521	19.568	19.622	19.669	19.727	19.773	19.825	19.862	19.895
% Ch	*5.0%*	*4.8%*	*4.8%*	*4.6%*	*1.0%*	*1.1%*	*1.0%*	*1.2%*	*0.9%*	*1.1%*	*0.7%*	*0.7%*
National (Thousands)	3,884	3,881	3,879	3,877	3,876	3,874	3,873	3,873	3,872	3,872	3,872	3,873
% Ch	*-0.3%*	*-0.3%*	*-0.2%*	*-0.2%*	*-0.1%*	*-0.2%*	*-0.1%*	*-0.1%*	*-0.1%*	*-0.1%*	*0.0%*	*0.1%*
DEATHS												
Idaho (Thousands)	9.050	9.086	9.123	9.159	9.199	9.240	9.280	9.322	9.362	9.403	9.441	9.479
% Ch	*1.7%*	*1.6%*	*1.6%*	*1.6%*	*1.8%*	*1.8%*	*1.7%*	*1.8%*	*1.7%*	*1.8%*	*1.6%*	*1.6%*
National (Thousands)	2,362	2,369	2,375	2,382	2,389	2,396	2,402	2,409	2,415	2,421	2,427	2,433
% Ch	*1.2%*	*1.1%*	*1.1%*	*1.1%*	*1.2%*	*1.1%*	*1.1%*	*1.0%*	*1.1%*	*1.0%*	*1.0%*	*0.9%*
NET MIGRATION												
Idaho (Thousands)	9.794	8.810	9.023	8.438	11.231	12.018	11.211	12.395	11.123	11.739	10.041	9.630
HOUSING												
HOUSING STARTS												
Idaho	10,715	9,835	9,474	10,491	10,267	10,298	10,425	10,354	11,651	10,624	10,110	9,873
% Ch	*60.4%*	*-29.0%*	*-13.9%*	*50.4%*	*-8.3%*	*1.2%*	*5.0%*	*-2.7%*	*60.4%*	*-30.9%*	*-18.0%*	*-9.1%*
National (Millions)	*1.559*	*1.572*	*1.631*	*1.722*	*1.760*	*1.591*	*1.663*	*1.689*	*1.732*	*1.602*	*1.546*	*1.594*
% Ch	*7.1%*	*3.6%*	*15.9%*	*24.3%*	*9.0%*	*-33.2%*	*19.5%*	*6.5%*	*10.5%*	*-26.8%*	*-13.3%*	*12.9%*
SINGLE UNITS												
Idaho	9,228	8,728	8,794	9,431	9,415	9,322	9,003	9,054	10,477	9,237	9,147	9,022
% Ch	*54.2%*	*-20.0%*	*3.0%*	*32.3%*	*-0.7%*	*-3.9%*	*-13.0%*	*2.3%*	*79.3%*	*-39.6%*	*-3.8%*	*-5.4%*
National (Millions)	1.228	1.239	1.279	1.364	1.383	1.295	1.308	1.376	1.337	1.263	1.231	1.267
% Ch	*33.2%*	*3.5%*	*13.4%*	*29.6%*	*5.6%*	*-23.1%*	*4.0%*	*22.6%*	*-10.8%*	*-20.4%*	*-9.9%*	*12.3%*
MULTIPLE UNITS												
Idaho	1,486	1,106	680	1,060	852	975	1,422	1,300	1,174	1,387	963	851
% Ch	*106.9%*	*-69.3%*	*-85.7%*	*488.6%*	*-58.3%*	*72.2%*	*351.9%*	*-30.1%*	*-33.5%*	*94.6%*	*-76.8%*	*-38.9%*
National (Millions)	0.330	0.333	0.353	0.358	0.377	0.296	0.355	0.313	0.395	0.339	0.315	0.326
% Ch	*-47.8%*	*3.7%*	*25.3%*	*6.2%*	*22.5%*	*-62.0%*	*108.6%*	*-39.5%*	*151.7%*	*-45.8%*	*-25.0%*	*15.1%*
HOUSING STOCK												
Idaho (Thousands)	399.1	401.3	403.3	405.7	407.9	410.2	412.5	414.8	417.4	419.7	421.9	424.1
% Ch	*2.4%*	*2.2%*	*2.1%*	*2.3%*	*2.2%*	*2.2%*	*2.3%*	*2.2%*	*2.5%*	*2.3%*	*2.1%*	*2.1%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2000

DEMOGRAPHICS

	2001				2002				2003			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
POPULATION	1,286.5	1,291.4	1,296.3	1,301.2	1,305.7	1,310.0	1,314.4	1,318.5	1,322.5	1,326.5	1,330.4	1,334.3
Idaho (Thousands)	*1.7%*	*1.5%*	*1.5%*	*1.5%*	*1.4%*	*1.3%*	*1.3%*	*1.3%*	*1.2%*	*1.2%*	*1.2%*	*1.2%*
% Ch	277.2	277.8	278.4	279.1	279.7	280.3	280.9	281.6	282.2	282.8	283.4	284.0
National (Millions)	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*
% Ch												
BIRTHS	19.938	19.966	19.997	20.025	20.040	20.047	20.057	20.060	20.057	20.053	20.046	20.039
Idaho (Thousands)	*0.9%*	*0.6%*	*0.6%*	*0.6%*	*0.3%*	*0.1%*	*0.2%*	*0.0%*	*0.0%*	*-0.1%*	*-0.1%*	*-0.1%*
% Ch	3,874	3,875	3,877	3,879	3,881	3,883	3,886	3,890	3,894	3,898	3,903	3,909
National (Thousands)	*0.1%*	*0.1%*	*0.2%*	*0.2%*	*0.2%*	*0.2%*	*0.3%*	*0.4%*	*0.4%*	*0.4%*	*0.5%*	*0.6%*
% Ch												
DEATHS	9.518	9.555	9.593	9.630	9.665	9.699	9.734	9.767	9.799	9.831	9.863	9.895
Idaho (Thousands)	*1.7%*	*1.6%*	*1.6%*	*1.6%*	*1.5%*	*1.4%*	*1.4%*	*1.4%*	*1.3%*	*1.3%*	*1.3%*	*1.3%*
% Ch	2,438	2,443	2,449	2,454	2,459	2,465	2,470	2,475	2,480	2,485	2,490	2,495
National (Thousands)	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.8%*	*0.8%*	*0.8%*	*0.8%*	*0.8%*	*0.8%*
% Ch												
NET MIGRATION	10.720	9.035	9.343	9.175	7.608	6.758	7.123	6.289	5.819	5.552	5.348	5.476
Idaho (Thousands)												
HOUSING												
HOUSING STARTS	9,935	9,956	9,914	9,906	9,919	9,938	9,972	9,965	9,957	9,959	9,965	9,978
Idaho	*2.5%*	*0.9%*	*-1.7%*	*-0.3%*	*0.5%*	*0.8%*	*1.4%*	*-0.3%*	*-0.3%*	*0.1%*	*0.2%*	*0.5%*
% Ch	*1.610*	*1.621*	*1.616*	*1.631*	*1.637*	*1.646*	*1.667*	*1.688*	*1.706*	*1.725*	*1.739*	*1.744*
National (Millions)	*4.2%*	*2.7%*	*-1.2%*	*3.7%*	*1.6%*	*2.3%*	*5.0%*	*5.2%*	*4.3%*	*4.5%*	*3.2%*	*1.4%*
% Ch												
SINGLE UNITS	9,112	9,149	9,145	9,179	9,225	9,253	9,287	9,292	9,273	9,267	9,271	9,285
Idaho	*4.1%*	*1.6%*	*-0.2%*	*1.5%*	*2.1%*	*1.2%*	*1.5%*	*0.2%*	*-0.8%*	*-0.2%*	*0.2%*	*0.6%*
% Ch	1.265	1.260	1.253	1.259	1.264	1.269	1.280	1.293	1.304	1.316	1.324	1.328
National (Millions)	*-0.8%*	*-1.6%*	*-2.1%*	*1.9%*	*1.7%*	*1.6%*	*3.5%*	*4.2%*	*3.5%*	*3.7%*	*2.4%*	*1.3%*
% Ch												
MULTIPLE UNITS	823	807	769	727	693	685	685	672	684	691	693	693
Idaho	*-12.7%*	*-7.3%*	*-17.7%*	*-20.0%*	*-17.3%*	*-4.7%*	*0.1%*	*-7.3%*	*7.0%*	*4.5%*	*1.1%*	*-0.3%*
% Ch	0.345	0.361	0.363	0.372	0.373	0.377	0.387	0.395	0.402	0.409	0.415	0.416
National (Millions)	*25.3%*	*19.3%*	*1.8%*	*10.3%*	*1.4%*	*4.8%*	*10.3%*	*8.9%*	*7.2%*	*7.0%*	*5.7%*	*1.5%*
% Ch												
HOUSING STOCK	426.2	428.4	430.6	432.7	434.9	437.0	439.2	441.3	443.5	445.7	447.8	450.0
Idaho (Thousands)	*2.1%*	*2.1%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*1.9%*	*1.9%*
% Ch												

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2000

OUTPUT, INCOME, & WAGES

	1998				1999				2000			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GROSS DOM. PRODUCT (Billions)												
Current Dollars	8,634.7	8,722.0	8,829.1	8,974.9	9,104.5	9,191.5	9,340.9	9,559.7	9,752.7	9,942.9	10,074.7	10,237.2
% Ch	*7.6%*	*4.1%*	*5.0%*	*6.8%*	*5.9%*	*3.9%*	*6.7%*	*9.7%*	*8.3%*	*8.0%*	*5.4%*	*6.6%*
1996 Chain-Weighted	8,404.9	8,465.6	8,537.6	8,654.5	8,730.0	8,783.2	8,905.8	9,084.1	9,191.8	9,311.5	9,377.3	9,466.7
% Ch	*6.5%*	*2.9%*	*3.4%*	*5.6%*	*3.5%*	*2.5%*	*5.7%*	*8.3%*	*4.8%*	*5.3%*	*2.9%*	*3.9%*
PERSONAL INCOME - CURR $												
Idaho (Millions)	26,480	26,797	27,337	28,095	28,745	29,125	29,494	30,180	30,574	31,160	31,597	32,154
% Ch	*8.6%*	*4.9%*	*8.3%*	*11.6%*	*9.6%*	*5.4%*	*5.2%*	*9.6%*	*5.3%*	*7.9%*	*5.7%*	*7.2%*
Idaho Nonfarm (Millions)	25,760	26,050	26,516	26,914	27,534	27,853	28,455	29,017	29,545	30,067	30,509	31,045
% Ch	*7.6%*	*4.6%*	*7.3%*	*6.1%*	*9.5%*	*4.7%*	*8.9%*	*8.1%*	*7.5%*	*7.3%*	*6.0%*	*7.2%*
National (Billions)	7,231	7,339	7,445	7,549	7,628	7,730	7,828	7,972	8,106	8,234	8,340	8,470
% Ch	*7.7%*	*6.2%*	*5.9%*	*5.7%*	*4.3%*	*5.4%*	*5.2%*	*7.6%*	*6.9%*	*6.5%*	*5.3%*	*6.4%*
PERSONAL INCOME - 1996 $												
Idaho (Millions)	25,829	26,059	26,489	27,125	27,634	27,843	28,063	28,561	28,686	29,071	29,304	29,641
% Ch	*8.2%*	*3.6%*	*6.8%*	*10.0%*	*7.7%*	*3.1%*	*3.2%*	*7.3%*	*1.8%*	*5.5%*	*3.2%*	*4.7%*
Idaho Nonfarm (Millions)	25,127	25,333	25,694	25,985	26,470	26,627	27,074	27,461	27,721	28,052	28,295	28,619
% Ch	*7.2%*	*3.3%*	*5.8%*	*4.6%*	*7.7%*	*2.4%*	*6.9%*	*5.8%*	*3.8%*	*4.9%*	*3.5%*	*4.7%*
National (Billions)	7,053	7,138	7,215	7,288	7,334	7,390	7,449	7,545	7,606	7,683	7,735	7,808
% Ch	*7.3%*	*4.9%*	*4.4%*	*4.1%*	*2.5%*	*3.1%*	*3.2%*	*5.3%*	*3.3%*	*4.1%*	*2.7%*	*3.9%*
PER CAPITA PERS INC - CURR $												
Idaho	21,636	21,811	22,164	22,692	23,116	23,317	23,511	23,949	24,158	24,513	24,758	25,096
% Ch	*6.9%*	*3.3%*	*6.6%*	*9.9%*	*7.7%*	*3.5%*	*3.4%*	*7.7%*	*3.5%*	*6.0%*	*4.1%*	*5.6%*
National	26,814	27,153	27,480	27,797	28,025	28,333	28,630	29,090	29,509	29,907	30,225	30,628
% Ch	*7.1%*	*5.2%*	*4.9%*	*4.7%*	*3.3%*	*4.5%*	*4.3%*	*6.6%*	*5.9%*	*5.5%*	*4.3%*	*5.4%*
PER CAPITA PERS INC - 1996 $												
Idaho	21,104	21,210	21,477	21,909	22,223	22,291	22,370	22,664	22,666	22,870	22,961	23,134
% Ch	*6.5%*	*2.0%*	*5.1%*	*8.3%*	*5.9%*	*1.2%*	*1.4%*	*5.4%*	*0.0%*	*3.6%*	*1.6%*	*3.1%*
National	26,155	26,406	26,630	26,839	26,944	27,089	27,243	27,531	27,690	27,906	28,032	28,235
% Ch	*6.7%*	*3.9%*	*3.4%*	*3.2%*	*1.6%*	*2.2%*	*2.3%*	*4.3%*	*2.3%*	*3.2%*	*1.8%*	*2.9%*
AVERAGE ANNUAL WAGE												
Idaho	25,512	25,571	25,927	26,243	26,879	26,862	27,326	27,539	27,755	28,051	28,385	28,714
% Ch	*6.8%*	*0.9%*	*5.7%*	*5.0%*	*10.1%*	*-0.3%*	*7.1%*	*3.1%*	*3.2%*	*4.3%*	*4.9%*	*4.7%*
National	32,745	33,099	33,493	33,853	34,149	34,497	34,918	35,277	35,677	35,994	36,534	36,979
% Ch	*5.7%*	*4.4%*	*4.9%*	*4.4%*	*3.5%*	*4.1%*	*5.0%*	*4.2%*	*4.6%*	*3.6%*	*6.1%*	*5.0%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2000

OUTPUT, INCOME, & WAGES

	2001				2002				2003			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GROSS DOM. PRODUCT (Billions)												
Current Dollars	10,385.5	10,525.6	10,665.4	10,817.6	10,983.3	11,139.7	11,318.7	11,504.7	11,702.1	11,887.7	12,069.2	12,257.3
% Ch	*5.9%*	*5.5%*	*5.4%*	*5.8%*	*6.3%*	*5.8%*	*6.6%*	*6.7%*	*7.0%*	*6.5%*	*6.2%*	*6.4%*
1996 Chain-Weighted	9,549.7	9,624.8	9,707.2	9,803.8	9,910.2	10,013.3	10,133.3	10,257.1	10,381.9	10,499.4	10,607.4	10,715.5
% Ch	*3.6%*	*3.2%*	*3.5%*	*4.0%*	*4.4%*	*4.2%*	*4.9%*	*5.0%*	*5.0%*	*4.6%*	*4.2%*	*4.1%*
PERSONAL INCOME - CURR $												
Idaho (Millions)	32,803	33,337	33,805	34,325	34,894	35,404	35,882	36,417	37,071	37,622	38,156	38,731
% Ch	*8.3%*	*6.7%*	*5.7%*	*6.3%*	*6.8%*	*6.0%*	*5.5%*	*6.1%*	*7.4%*	*6.1%*	*5.8%*	*6.2%*
Idaho Nonfarm (Millions)	31,657	32,192	32,648	33,164	33,709	34,234	34,734	35,293	35,873	36,443	36,993	37,585
% Ch	*8.1%*	*6.9%*	*5.8%*	*6.5%*	*6.7%*	*6.4%*	*6.0%*	*6.6%*	*6.7%*	*6.5%*	*6.2%*	*6.6%*
National (Billions)	8,619	8,738	8,845	8,960	9,094	9,218	9,341	9,480	9,634	9,779	9,918	10,067
% Ch	*7.2%*	*5.6%*	*5.0%*	*5.3%*	*6.1%*	*5.6%*	*5.4%*	*6.1%*	*6.6%*	*6.2%*	*5.8%*	*6.1%*
PERSONAL INCOME - 1996 $												
Idaho (Millions)	30,112	30,467	30,772	31,118	31,511	31,846	32,142	32,480	32,916	33,253	33,556	33,879
% Ch	*6.5%*	*4.8%*	*4.1%*	*4.6%*	*5.1%*	*4.3%*	*3.8%*	*4.3%*	*5.5%*	*4.2%*	*3.7%*	*3.9%*
Idaho Nonfarm (Millions)	29,060	29,420	29,718	30,065	30,441	30,793	31,114	31,477	31,853	32,210	32,533	32,876
% Ch	*6.3%*	*5.1%*	*4.1%*	*4.7%*	*5.1%*	*4.7%*	*4.2%*	*4.8%*	*4.9%*	*4.6%*	*4.1%*	*4.3%*
National (Billions)	7,913	7,986	8,052	8,124	8,212	8,292	8,368	8,456	8,555	8,644	8,723	8,807
% Ch	*5.4%*	*3.8%*	*3.3%*	*3.6%*	*4.4%*	*3.9%*	*3.7%*	*4.3%*	*4.8%*	*4.3%*	*3.7%*	*3.9%*
PER CAPITA PERS INC - CURR $												
Idaho	25,497	25,815	26,077	26,379	26,724	27,026	27,300	27,620	28,030	28,363	28,681	29,028
% Ch	*6.6%*	*5.1%*	*4.1%*	*4.7%*	*5.3%*	*4.6%*	*4.1%*	*4.8%*	*6.1%*	*4.8%*	*4.6%*	*4.9%*
National	31,097	31,455	31,766	32,110	32,515	32,885	33,250	33,671	34,140	34,581	34,996	35,443
% Ch	*6.3%*	*4.7%*	*4.0%*	*4.4%*	*5.1%*	*4.6%*	*4.5%*	*5.2%*	*5.7%*	*5.3%*	*4.9%*	*5.2%*
PER CAPITA PERS INC - 1996 $												
Idaho	23,406	23,592	23,737	23,915	24,133	24,310	24,455	24,634	24,889	25,069	25,224	25,391
% Ch	*4.8%*	*3.2%*	*2.5%*	*3.0%*	*3.7%*	*3.0%*	*2.4%*	*3.0%*	*4.2%*	*2.9%*	*2.5%*	*2.7%*
National	28,547	28,748	28,918	29,112	29,364	29,581	29,786	30,032	30,316	30,567	30,779	31,005
% Ch	*4.5%*	*2.9%*	*2.4%*	*2.7%*	*3.5%*	*3.0%*	*2.8%*	*3.4%*	*3.8%*	*3.3%*	*2.8%*	*3.0%*
AVERAGE ANNUAL WAGE												
Idaho	29,041	29,373	29,714	30,042	30,359	30,697	31,042	31,390	31,755	32,120	32,489	32,868
% Ch	*4.6%*	*4.6%*	*4.7%*	*4.5%*	*4.3%*	*4.5%*	*4.6%*	*4.6%*	*4.7%*	*4.7%*	*4.7%*	*4.7%*
National	37,488	37,934	38,370	38,805	39,265	39,714	40,166	40,631	41,148	41,636	42,124	42,623
% Ch	*5.6%*	*4.8%*	*4.7%*	*4.6%*	*4.8%*	*4.7%*	*4.6%*	*4.7%*	*5.2%*	*4.8%*	*4.8%*	*4.8%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2000

PERSONAL INCOME -- CURR $$

	1998				1999				2000			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
WAGE AND SALARY PAYMENTS												
Idaho (Millions)	13,675	13,796	14,059	14,334	14,809	14,952	15,346	15,581	15,868	16,184	16,446	16,735
% Ch	*8.4%*	*3.6%*	*7.8%*	*8.1%*	*13.9%*	*3.9%*	*11.0%*	*6.3%*	*7.6%*	*8.2%*	*6.6%*	*7.2%*
National (Billions)	4,085	4,153	4,226	4,298	4,364	4,430	4,507	4,578	4,660	4,735	4,807	4,881
% Ch	*8.5%*	*6.9%*	*7.2%*	*7.0%*	*6.3%*	*6.2%*	*7.1%*	*6.5%*	*7.4%*	*6.5%*	*6.3%*	*6.3%*
FARM PROPRIETORS INCOME												
Idaho (Millions)	380	412	488	846	867	916	668	779	633	686	677	699
% Ch	*168.0%*	*38.2%*	*96.8%*	*803.2%*	*10.3%*	*24.6%*	*-71.7%*	*84.9%*	*-56.4%*	*37.7%*	*-4.9%*	*13.3%*
National (Billions)	25	23	21	32	25	29	16	32	19	22	16	17
% Ch	*-41.0%*	*-28.6%*	*-31.3%*	*423.6%*	*-63.1%*	*82.2%*	*-91.8%*	*1632.0%*	*-86.8%*	*67.2%*	*-69.9%*	*20.8%*
NONFARM PROPRIETORS INCOME												
Idaho (Millions)	2,600	2,614	2,657	2,708	2,748	2,806	2,850	2,910	2,975	3,030	3,103	3,146
% Ch	*7.6%*	*2.2%*	*6.7%*	*7.9%*	*6.0%*	*8.7%*	*6.4%*	*8.7%*	*9.2%*	*7.5%*	*10.1%*	*5.7%*
National (Billions)	581	590	598	612	619	631	644	658	675	687	703	712
% Ch	*12.7%*	*6.4%*	*5.8%*	*9.2%*	*5.0%*	*8.2%*	*8.4%*	*8.8%*	*10.7%*	*7.3%*	*9.8%*	*5.5%*
DIVIDENDS, RENT & INTEREST												
Idaho (Millions)	5,327	5,429	5,528	5,554	5,586	5,689	5,809	6,030	6,133	6,206	6,261	6,390
% Ch	*4.1%*	*7.9%*	*7.5%*	*1.9%*	*2.3%*	*7.6%*	*8.7%*	*16.1%*	*7.0%*	*4.8%*	*3.6%*	*8.5%*
National (Billions)	1,393	1,423	1,444	1,449	1,451	1,464	1,480	1,515	1,544	1,562	1,575	1,605
% Ch	*7.3%*	*8.9%*	*6.2%*	*1.4%*	*0.4%*	*3.6%*	*4.4%*	*10.0%*	*7.8%*	*4.8%*	*3.2%*	*8.0%*
OTHER LABOR INCOME												
Idaho (Millions)	1,777	1,786	1,806	1,827	1,875	1,886	1,919	1,937	1,961	1,993	2,023	2,048
% Ch	*5.8%*	*2.0%*	*4.6%*	*4.7%*	*10.9%*	*2.4%*	*7.2%*	*3.8%*	*5.0%*	*6.7%*	*6.1%*	*5.1%*
National (Billions)	480	484	487	491	495	499	503	507	514	520	528	533
% Ch	*7.0%*	*3.2%*	*3.1%*	*2.8%*	*3.5%*	*2.9%*	*3.4%*	*3.7%*	*5.3%*	*5.1%*	*5.8%*	*4.2%*
GOVT. TRANSFERS TO INDIV.												
Idaho (Millions)	3,491	3,528	3,576	3,613	3,682	3,706	3,740	3,779	3,864	3,936	3,972	4,029
% Ch	*9.2%*	*4.3%*	*5.6%*	*4.2%*	*7.9%*	*2.6%*	*3.7%*	*4.2%*	*9.3%*	*7.6%*	*3.7%*	*5.9%*
National (Billions)	977	980	986	989	1,005	1,012	1,020	1,027	1,047	1,066	1,075	1,089
% Ch	*4.3%*	*1.3%*	*2.3%*	*1.2%*	*6.7%*	*2.9%*	*3.2%*	*2.8%*	*7.8%*	*7.6%*	*3.3%*	*5.3%*
CONTRIB. FOR SOCIAL INSUR.												
Idaho (Millions)	1,081	1,086	1,102	1,119	1,160	1,167	1,193	1,207	1,232	1,255	1,273	1,289
% Ch	*8.2%*	*1.9%*	*6.0%*	*6.3%*	*15.5%*	*2.4%*	*9.2%*	*4.8%*	*8.5%*	*7.5%*	*6.0%*	*5.2%*
National (Billions)	310	314	318	322	331	336	341	346	353	358	363	367
% Ch	*7.6%*	*4.8%*	*5.4%*	*5.5%*	*11.2%*	*5.7%*	*6.4%*	*5.8%*	*9.0%*	*5.9%*	*5.6%*	*4.3%*
RESIDENCE ADJUSTMENT												
Idaho (Millions)	310	319	326	332	339	338	354	370	373	381	388	396
% Ch	*5.3%*	*12.1%*	*9.1%*	*7.6%*	*8.7%*	*-1.2%*	*20.3%*	*19.3%*	*3.3%*	*9.4%*	*7.6%*	*8.2%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2000

PERSONAL INCOME -- CURR $$

	2001				2002				2003			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
WAGE AND SALARY PAYMENTS												
Idaho (Millions)	17,050	17,363	17,643	17,940	18,227	18,532	18,844	19,161	19,495	19,833	20,175	20,524
% Ch	*7.8%*	*7.5%*	*6.6%*	*6.9%*	*6.6%*	*6.9%*	*6.9%*	*6.9%*	*7.1%*	*7.1%*	*7.1%*	*7.1%*
National (Billions)	4,960	5,030	5,098	5,167	5,243	5,320	5,402	5,489	5,585	5,678	5,770	5,863
% Ch	*6.6%*	*5.8%*	*5.5%*	*5.6%*	*6.0%*	*6.0%*	*6.3%*	*6.6%*	*7.2%*	*6.8%*	*6.6%*	*6.6%*
FARM PROPRIETORS INCOME												
Idaho (Millions)	735	733	743	750	773	758	732	709	782	762	743	723
% Ch	*22.4%*	*-1.1%*	*5.7%*	*3.6%*	*12.8%*	*-7.4%*	*-12.9%*	*-11.9%*	*47.3%*	*-9.9%*	*-9.3%*	*-10.3%*
National (Billions)	17	17	17	17	17	16	16	15	14	14	13	13
% Ch	*-1.2%*	*-1.3%*	*8.0%*	*5.1%*	*-12.6%*	*-9.7%*	*-17.1%*	*-15.9%*	*-16.8%*	*-12.9%*	*-12.2%*	*-13.6%*
NONFARM PROPRIETORS INCOME												
Idaho (Millions)	3,189	3,230	3,262	3,302	3,353	3,401	3,462	3,529	3,604	3,676	3,744	3,813
% Ch	*5.5%*	*5.4%*	*4.0%*	*5.0%*	*6.4%*	*5.8%*	*7.5%*	*8.0%*	*8.8%*	*8.2%*	*7.6%*	*7.5%*
National (Billions)	722	731	738	746	758	768	782	796	813	828	843	858
% Ch	*5.3%*	*5.2%*	*3.9%*	*4.8%*	*6.2%*	*5.6%*	*7.2%*	*7.7%*	*8.5%*	*8.0%*	*7.4%*	*7.3%*
DIVIDENDS, RENT & INTEREST												
Idaho (Millions)	6,513	6,604	6,675	6,768	6,852	6,948	7,003	7,103	7,184	7,271	7,334	7,429
% Ch	*7.9%*	*5.7%*	*4.4%*	*5.7%*	*5.1%*	*5.7%*	*3.2%*	*5.8%*	*4.6%*	*5.0%*	*3.5%*	*5.3%*
National (Billions)	1,635	1,655	1,669	1,689	1,707	1,727	1,738	1,761	1,780	1,801	1,816	1,839
% Ch	*7.7%*	*4.8%*	*3.6%*	*4.8%*	*4.2%*	*5.0%*	*2.5%*	*5.3%*	*4.4%*	*4.7%*	*3.4%*	*5.2%*
OTHER LABOR INCOME												
Idaho (Millions)	2,079	2,111	2,142	2,171	2,190	2,225	2,259	2,294	2,328	2,363	2,399	2,436
% Ch	*6.0%*	*6.4%*	*6.1%*	*5.4%*	*3.7%*	*6.4%*	*6.3%*	*6.2%*	*6.1%*	*6.2%*	*6.2%*	*6.3%*
National (Billions)	540	546	552	558	562	570	578	586	595	604	612	621
% Ch	*4.9%*	*4.6%*	*5.0%*	*4.1%*	*3.2%*	*5.5%*	*5.7%*	*5.9%*	*6.1%*	*5.9%*	*5.8%*	*5.8%*
GOVT. TRANSFERS TO INDIV.												
Idaho (Millions)	4,138	4,200	4,257	4,329	4,450	4,503	4,556	4,607	4,685	4,737	4,793	4,853
% Ch	*11.3%*	*6.1%*	*5.5%*	*6.9%*	*11.6%*	*4.9%*	*4.8%*	*4.6%*	*7.0%*	*4.5%*	*4.8%*	*5.1%*
National (Billions)	1,117	1,133	1,148	1,165	1,197	1,210	1,225	1,237	1,259	1,273	1,288	1,304
% Ch	*10.7%*	*5.8%*	*5.4%*	*6.2%*	*11.3%*	*4.8%*	*4.9%*	*4.1%*	*7.3%*	*4.5%*	*4.8%*	*5.0%*
CONTRIB. FOR SOCIAL INSUR.												
Idaho (Millions)	1,304	1,317	1,338	1,360	1,386	1,405	1,427	1,447	1,476	1,497	1,520	1,543
% Ch	*4.8%*	*3.8%*	*6.6%*	*6.9%*	*7.8%*	*5.7%*	*6.3%*	*5.7%*	*8.3%*	*5.9%*	*6.2%*	*6.2%*
National (Billions)	371	372	378	383	389	394	400	405	413	419	425	431
% Ch	*3.7%*	*2.1%*	*5.6%*	*5.6%*	*7.2%*	*4.8%*	*5.7%*	*5.4%*	*8.4%*	*5.7%*	*5.7%*	*5.7%*
RESIDENCE ADJUSTMENT												
Idaho (Millions)	405	413	421	428	436	444	453	461	470	479	488	498
% Ch	*8.8%*	*8.5%*	*7.5%*	*7.8%*	*7.4%*	*7.7%*	*7.7%*	*7.7%*	*8.0%*	*7.9%*	*7.9%*	*7.9%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2000

EMPLOYMENT

	1998				1999				2000			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TOTAL NONFARM EMPLOYMENT												
Idaho	516,158	519,922	522,931	527,159	531,865	537,043	541,826	545,778	551,325	556,397	558,991	562,598
% Ch	*1.8%*	*2.9%*	*2.3%*	*3.3%*	*3.6%*	*4.0%*	*3.6%*	*3.0%*	*4.1%*	*3.7%*	*1.9%*	*2.6%*
National (Thousands)	124,748	125,486	126,180	126,967	127,800	128,430	129,073	129,783	130,626	131,543	131,581	131,986
% Ch	*2.6%*	*2.4%*	*2.2%*	*2.5%*	*2.6%*	*2.0%*	*2.0%*	*2.2%*	*2.6%*	*2.8%*	*0.1%*	*1.2%*
GOODS PRODUCING SECTOR												
Idaho	111,002	111,423	111,346	111,217	112,648	113,175	113,995	114,442	115,986	116,212	116,870	117,486
% Ch	*-1.8%*	*1.5%*	*-0.3%*	*-0.5%*	*5.2%*	*1.9%*	*2.9%*	*1.6%*	*5.5%*	*0.8%*	*2.3%*	*2.1%*
National (Thousands)	25,346	25,427	25,408	25,469	25,488	25,454	25,459	25,524	25,680	25,703	25,680	25,583
% Ch	*2.6%*	*1.3%*	*-0.3%*	*1.0%*	*0.3%*	*-0.5%*	*0.1%*	*1.0%*	*2.5%*	*0.4%*	*-0.4%*	*-1.5%*
MANUFACTURING												
Idaho	76,112	76,486	76,188	75,700	75,729	76,070	76,488	76,237	76,723	77,252	78,003	78,658
% Ch	*3.4%*	*2.0%*	*-1.6%*	*-2.5%*	*0.2%*	*1.8%*	*2.2%*	*-1.3%*	*2.6%*	*2.8%*	*3.9%*	*3.4%*
National (Thousands)	18,872	18,871	18,765	18,716	18,632	18,543	18,516	18,482	18,481	18,488	18,471	18,363
% Ch	*1.5%*	*0.0%*	*-2.2%*	*-1.0%*	*-1.8%*	*-1.9%*	*-0.6%*	*-0.7%*	*0.0%*	*0.1%*	*-0.4%*	*-2.3%*
DURABLE MANUFACTURING												
Idaho	47,226	47,469	47,113	46,889	46,612	47,049	47,438	47,466	47,690	48,277	48,683	49,209
% Ch	*4.1%*	*2.1%*	*-3.0%*	*-1.9%*	*-2.3%*	*3.8%*	*3.3%*	*0.2%*	*1.9%*	*5.0%*	*3.4%*	*4.4%*
National (Thousands)	11,226	11,245	11,179	11,175	11,130	11,093	11,104	11,085	11,094	11,110	11,115	11,064
% Ch	*2.9%*	*0.7%*	*-2.3%*	*-0.2%*	*-1.6%*	*-1.3%*	*0.4%*	*-0.7%*	*0.3%*	*0.6%*	*0.2%*	*-1.8%*
LUMBER & WOOD PRODUCTS												
Idaho	13,711	13,928	13,664	13,629	13,508	13,465	13,401	13,237	13,146	13,136	12,907	12,779
% Ch	*-13.3%*	*6.5%*	*-7.4%*	*-1.0%*	*-3.5%*	*-1.3%*	*-1.9%*	*-4.8%*	*-2.7%*	*-0.3%*	*-6.8%*	*-3.9%*
National (Thousands)	807	812	815	820	827	827	829	831	831	828	818	811
% Ch	*2.3%*	*2.5%*	*1.7%*	*2.6%*	*3.3%*	*0.0%*	*1.1%*	*0.8%*	*-0.2%*	*-1.1%*	*-4.8%*	*-3.4%*
STONE, CLAY, GLASS, etc.												
Idaho	4,305	4,285	4,350	4,401	4,491	4,536	4,556	4,533	4,526	4,574	4,554	4,547
% Ch	*-9.9%*	*-1.8%*	*6.1%*	*4.8%*	*8.5%*	*4.0%*	*1.8%*	*-2.0%*	*-0.7%*	*4.3%*	*-1.7%*	*-0.6%*
National (Thousands)	2,068	2,071	2,069	2,077	2,081	2,078	2,080	2,084	2,093	2,103	2,104	2,081
% Ch	*3.2%*	*0.6%*	*-0.4%*	*1.6%*	*0.8%*	*-0.5%*	*0.3%*	*0.8%*	*1.8%*	*2.0%*	*0.0%*	*-4.2%*
ELEC & NONELEC MACH												
Idaho	23,558	23,501	23,198	22,978	22,665	22,999	23,389	23,556	23,821	24,244	24,858	25,468
% Ch	*16.6%*	*-1.0%*	*-5.1%*	*-3.7%*	*-5.3%*	*6.0%*	*7.0%*	*2.9%*	*4.6%*	*7.3%*	*10.5%*	*10.2%*
National (Thousands)	3,941	3,939	3,909	3,866	3,823	3,808	3,808	3,803	3,810	3,821	3,848	3,858
% Ch	*3.0%*	*-0.3%*	*-2.9%*	*-4.4%*	*-4.4%*	*-1.5%*	*0.0%*	*-0.6%*	*0.8%*	*1.1%*	*2.9%*	*1.0%*
OTHER DURABLES												
Idaho	5,652	5,754	5,901	5,881	5,948	6,050	6,092	6,139	6,197	6,323	6,366	6,415
% Ch	*14.8%*	*7.4%*	*10.6%*	*-1.3%*	*4.6%*	*7.0%*	*2.8%*	*3.2%*	*3.8%*	*8.4%*	*2.7%*	*3.1%*
National (Thousands)	4,410	4,423	4,386	4,412	4,399	4,380	4,387	4,368	4,360	4,358	4,345	4,314
% Ch	2.7%	1.2%	-3.3%	2.3%	-1.1%	-1.7%	0.6%	-1.8%	-0.7%	-0.2%	-1.2%	-2.8%

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2000

EMPLOYMENT

	2001				2002				2003			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TOTAL NONFARM EMPLOYMENT												
Idaho	566,869	571,064	573,920	577,502	580,791	584,283	587,825	591,380	594,861	598,554	602,226	605,800
% Ch	*3.1%*	*3.0%*	*2.0%*	*2.5%*	*2.3%*	*2.4%*	*2.4%*	*2.4%*	*2.4%*	*2.5%*	*2.5%*	*2.4%*
National (Thousands)	132,298	132,593	132,862	133,160	133,538	133,954	134,492	135,092	135,732	136,383	136,984	137,551
% Ch	*0.9%*	*0.9%*	*0.8%*	*0.9%*	*1.1%*	*1.3%*	*1.6%*	*1.8%*	*1.9%*	*1.9%*	*1.8%*	*1.7%*
GOODS PRODUCING SECTOR												
Idaho	118,131	118,922	118,673	119,008	119,345	119,898	120,495	121,149	121,706	122,500	123,266	123,947
% Ch	*2.2%*	*2.7%*	*-0.8%*	*1.1%*	*1.1%*	*1.9%*	*2.0%*	*2.2%*	*1.9%*	*2.6%*	*2.5%*	*2.2%*
National (Thousands)	25,480	25,370	25,234	25,048	24,936	24,840	24,772	24,720	24,668	24,669	24,659	24,637
% Ch	*-1.6%*	*-1.7%*	*-2.1%*	*-2.9%*	*-1.8%*	*-1.5%*	*-1.1%*	*-0.8%*	*-0.8%*	*0.0%*	*-0.2%*	*-0.3%*
MANUFACTURING												
Idaho	79,115	79,753	80,321	80,767	81,152	81,653	82,221	82,846	83,469	84,226	84,975	85,658
% Ch	*2.3%*	*3.3%*	*2.9%*	*2.2%*	*1.9%*	*2.5%*	*2.8%*	*3.1%*	*3.0%*	*3.7%*	*3.6%*	*3.3%*
National (Thousands)	18,255	18,161	18,011	17,825	17,700	17,579	17,467	17,379	17,289	17,257	17,218	17,156
% Ch	*-2.3%*	*-2.0%*	*-3.3%*	*-4.1%*	*-2.8%*	*-2.7%*	*-2.5%*	*-2.0%*	*-2.0%*	*-0.7%*	*-0.9%*	*-1.4%*
DURABLE MANUFACTURING												
Idaho	49,562	50,065	50,490	50,766	50,952	51,257	51,670	52,144	52,613	53,216	53,814	54,354
% Ch	*2.9%*	*4.1%*	*3.4%*	*2.2%*	*1.5%*	*2.4%*	*3.3%*	*3.7%*	*3.6%*	*4.7%*	*4.6%*	*4.1%*
National (Thousands)	11,004	10,954	10,865	10,748	10,675	10,605	10,543	10,499	10,457	10,456	10,448	10,424
% Ch	*-2.2%*	*-1.8%*	*-3.2%*	*-4.2%*	*-2.7%*	*-2.6%*	*-2.3%*	*-1.6%*	*-1.6%*	*0.0%*	*-0.3%*	*-0.9%*
LUMBER & WOOD PRODUCTS												
Idaho	12,644	12,565	12,463	12,330	12,181	12,015	11,884	11,794	11,691	11,611	11,530	11,438
% Ch	*-4.1%*	*-2.5%*	*-3.2%*	*-4.2%*	*-4.8%*	*-5.3%*	*-4.3%*	*-3.0%*	*-3.4%*	*-2.7%*	*-2.8%*	*-3.2%*
National (Thousands)	813	817	814	808	803	799	800	804	809	816	822	826
% Ch	*0.9%*	*2.0%*	*-1.4%*	*-2.7%*	*-2.5%*	*-2.2%*	*0.7%*	*2.1%*	*2.5%*	*3.5%*	*2.9%*	*2.1%*
STONE, CLAY, GLASS, etc.												
Idaho	4,535	4,534	4,531	4,470	4,458	4,454	4,458	4,465	4,476	4,487	4,507	4,521
% Ch	*-1.0%*	*-0.1%*	*-0.3%*	*-5.2%*	*-1.1%*	*-0.4%*	*0.4%*	*0.6%*	*1.0%*	*1.0%*	*1.8%*	*1.2%*
National (Thousands)	2,062	2,043	2,020	1,997	1,980	1,965	1,952	1,942	1,934	1,931	1,928	1,922
% Ch	*-3.6%*	*-3.6%*	*-4.5%*	*-4.6%*	*-3.2%*	*-3.0%*	*-2.8%*	*-1.9%*	*-1.8%*	*-0.5%*	*-0.7%*	*-1.3%*
ELEC & NONELEC MACH												
Idaho	25,928	26,468	26,925	27,353	27,595	27,999	28,434	28,941	29,362	29,940	30,478	31,048
% Ch	*7.4%*	*8.6%*	*7.1%*	*6.5%*	*3.6%*	*6.0%*	*6.4%*	*7.3%*	*5.9%*	*8.1%*	*7.4%*	*7.7%*
National (Thousands)	3,855	3,856	3,835	3,801	3,785	3,771	3,755	3,753	3,740	3,754	3,760	3,766
% Ch	*-0.3%*	*0.1%*	*-2.1%*	*-3.6%*	*-1.6%*	*-1.5%*	*-1.8%*	*-0.2%*	*-1.4%*	*1.6%*	*0.6%*	*0.6%*
OTHER DURABLES												
Idaho	6,455	6,498	6,571	6,613	6,719	6,789	6,893	6,944	7,084	7,178	7,300	7,348
% Ch	*2.5%*	*2.7%*	*4.6%*	*2.6%*	*6.5%*	*4.3%*	*6.3%*	*3.0%*	*8.3%*	*5.4%*	*7.0%*	*2.7%*
National (Thousands)	4,273	4,238	4,196	4,143	4,106	4,070	4,036	4,000	3,974	3,954	3,938	3,910
% Ch	-3.7%	-3.3%	-3.9%	-5.0%	-3.5%	-3.5%	-3.3%	-3.5%	-2.6%	-1.9%	-1.7%	-2.8%

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2000

EMPLOYMENT

	1998				1999				2000			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
MANUFACTURING (continued)												
NONDURABLE MANUFACTURING												
Idaho	28,885	29,018	29,075	28,811	29,117	29,021	29,051	28,771	29,034	28,975	29,319	29,449
% Ch	*2.3%*	*1.8%*	*0.8%*	*-3.6%*	*4.3%*	*-1.3%*	*0.4%*	*-3.8%*	*3.7%*	*-0.8%*	*4.8%*	*1.8%*
National (Thousands)	7,647	7,626	7,586	7,542	7,502	7,450	7,412	7,397	7,388	7,378	7,356	7,299
% Ch	*-0.5%*	*-1.1%*	*-2.1%*	*-2.3%*	*-2.1%*	*-2.8%*	*-2.0%*	*-0.8%*	*-0.5%*	*-0.5%*	*-1.2%*	*-3.1%*
FOOD PROCESSING												
Idaho	17,225	17,345	17,457	17,123	17,460	17,337	17,348	17,020	17,148	17,064	17,357	17,452
% Ch	*-0.1%*	*2.8%*	*2.6%*	*-7.4%*	*8.1%*	*-2.8%*	*0.3%*	*-7.3%*	*3.0%*	*-1.9%*	*7.0%*	*2.2%*
National (Thousands)	*1,683*	*1,685*	*1,682*	*1,682*	*1,686*	*1,677*	*1,671*	*1,674*	*1,675*	*1,677*	*1,679*	*1,680*
% Ch	*-0.2%*	*0.5%*	*-0.6%*	*0.0%*	*0.9%*	*-2.2%*	*-1.3%*	*0.6%*	*0.2%*	*0.6%*	*0.5%*	*0.3%*
CANNED, CURED, & FROZEN												
Idaho	9,937	10,083	10,144	9,820	10,080	9,952	10,076	9,726	9,707	9,675	9,920	9,968
% Ch	*-7.0%*	*6.0%*	*2.4%*	*-12.2%*	*11.0%*	*-5.0%*	*5.1%*	*-13.2%*	*-0.8%*	*-1.3%*	*10.5%*	*2.0%*
OTHER FOOD PROCESSING												
Idaho	7,288	7,262	7,314	7,303	7,380	7,385	7,272	7,294	7,441	7,389	7,437	7,484
% Ch	*10.2%*	*-1.4%*	*2.9%*	*-0.6%*	*4.3%*	*0.2%*	*-5.9%*	*1.2%*	*8.3%*	*-2.7%*	*2.6%*	*2.5%*
PAPER, PRINTING, PUBLISH.												
Idaho	7,401	7,442	7,443	7,477	7,362	7,391	7,394	7,427	7,554	7,551	7,585	7,606
% Ch	*7.3%*	*2.3%*	*0.0%*	*1.8%*	*-6.0%*	*1.6%*	*0.2%*	*1.8%*	*7.0%*	*-0.2%*	*1.8%*	*1.1%*
National (Thousands)	2,245	2,245	2,242	2,236	2,229	2,221	2,219	2,214	2,213	2,217	2,218	2,199
% Ch	*0.8%*	*0.1%*	*-0.7%*	*-1.1%*	*-1.1%*	*-1.5%*	*-0.4%*	*-0.8%*	*-0.2%*	*0.7%*	*0.3%*	*-3.5%*
CHEMICALS												
Idaho	2,347	2,383	2,355	2,349	2,331	2,313	2,284	2,278	2,285	2,277	2,266	2,255
% Ch	*14.3%*	*6.3%*	*-4.7%*	*-0.9%*	*-3.1%*	*-3.1%*	*-4.8%*	*-1.1%*	*1.2%*	*-1.4%*	*-1.9%*	*-2.1%*
National (Thousands)	1,041	1,044	1,044	1,042	1,039	1,035	1,031	1,031	1,031	1,029	1,022	1,019
% Ch	*0.5%*	*1.0%*	*0.3%*	*-0.8%*	*-1.4%*	*-1.4%*	*-1.5%*	*0.0%*	*0.0%*	*-0.9%*	*-2.4%*	*-1.4%*
OTHER NONDURABLES												
Idaho	1,913	1,847	1,820	1,861	1,964	1,980	2,024	2,046	2,047	2,083	2,111	2,137
% Ch	*-6.6%*	*-13.1%*	*-5.7%*	*9.4%*	*23.9%*	*3.4%*	*9.2%*	*4.3%*	*0.1%*	*7.2%*	*5.5%*	*4.9%*
National (Thousands)	2,678	2,652	2,617	2,581	2,548	2,517	2,491	2,478	2,469	2,455	2,436	2,401
% Ch	*-2.2%*	*-3.8%*	*-5.2%*	*-5.4%*	*-5.1%*	*-4.8%*	*-4.0%*	*-2.1%*	*-1.4%*	*-2.2%*	*-3.2%*	*-5.6%*
MINING												
Idaho	2,938	2,939	2,918	2,815	2,745	2,546	2,517	2,521	2,492	2,422	2,348	2,295
%Ch	*-11.7%*	*0.2%*	*-2.8%*	*-13.4%*	*-9.6%*	*-26.0%*	*-4.5%*	*0.7%*	*-4.6%*	*-10.8%*	*-11.7%*	*-8.6%*
National (Thousands)	603	597	586	573	552	533	527	529	533	539	539	542
%Ch	*1.8%*	*-4.1%*	*-7.4%*	*-8.2%*	*-13.9%*	*-13.1%*	*-4.7%*	*1.3%*	*3.3%*	*4.6%*	*-0.3%*	*2.4%*
METAL MINING												
Idaho	1,713	1,733	1,696	1,628	1,580	1,419	1,358	1,352	1,345	1,329	1,303	1,291
%Ch	*-9.4%*	*4.6%*	*-8.4%*	*-15.0%*	*-11.3%*	*-34.8%*	*-16.2%*	*-1.7%*	*-2.1%*	*-4.8%*	*-7.6%*	*-3.4%*
OTHER MINING												
Idaho	1,225	1,206	1,223	1,187	1,165	1,126	1,159	1,169	1,147	1,093	1,045	1,004
% Ch	*-14.8%*	*-5.8%*	*5.6%*	*-11.1%*	*-7.2%*	*-12.7%*	*12.0%*	*3.4%*	*-7.3%*	*-17.4%*	*-16.5%*	*-14.8%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2000

EMPLOYMENT

	2001				2002				2003			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
MANUFACTURING (continued)												
NONDURABLE MANUFACTURING												
Idaho	29,552	29,688	29,831	30,001	30,200	30,395	30,552	30,702	30,855	31,009	31,160	31,304
% Ch	*1.4%*	*1.9%*	*1.9%*	*2.3%*	*2.7%*	*2.6%*	*2.1%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*1.9%*
National (Thousands)	7,251	7,207	7,146	7,076	7,025	6,973	6,924	6,879	6,832	6,801	6,769	6,732
% Ch	*-2.6%*	*-2.4%*	*-3.3%*	*-3.8%*	*-2.9%*	*-2.9%*	*-2.8%*	*-2.6%*	*-2.7%*	*-1.8%*	*-1.8%*	*-2.2%*
FOOD PROCESSING												
Idaho	17,545	17,634	17,714	17,799	17,887	17,959	17,992	18,020	18,049	18,084	18,123	18,162
% Ch	*2.1%*	*2.1%*	*1.8%*	*1.9%*	*2.0%*	*1.6%*	*0.8%*	*0.6%*	*0.6%*	*0.8%*	*0.8%*	*0.9%*
National (Thousands)	*1,681*	*1,680*	*1,673*	*1,662*	*1,654*	*1,646*	*1,635*	*1,626*	*1,615*	*1,607*	*1,602*	*1,595*
% Ch	*0.1%*	*-0.1%*	*-1.8%*	*-2.6%*	*-2.0%*	*-2.0%*	*-2.4%*	*-2.4%*	*-2.7%*	*-1.8%*	*-1.4%*	*-1.6%*
CANNED, CURED, & FROZEN												
Idaho	10,013	10,057	10,097	10,136	10,176	10,211	10,236	10,258	10,280	10,303	10,327	10,350
% Ch	*1.8%*	*1.8%*	*1.6%*	*1.6%*	*1.6%*	*1.4%*	*1.0%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*	*0.9%*
OTHER FOOD PROCESSING												
Idaho	7,531	7,577	7,617	7,663	7,712	7,748	7,757	7,761	7,768	7,781	7,796	7,812
% Ch	*2.6%*	*2.5%*	*2.1%*	*2.4%*	*2.6%*	*1.9%*	*0.5%*	*0.2%*	*0.4%*	*0.6%*	*0.8%*	*0.8%*
PAPER, PRINTING, PUBLISH.												
Idaho	7,576	7,568	7,579	7,613	7,664	7,720	7,776	7,833	7,889	7,943	7,995	8,042
% Ch	*-1.6%*	*-0.4%*	*0.6%*	*1.8%*	*2.7%*	*2.9%*	*3.0%*	*3.0%*	*2.9%*	*2.8%*	*2.6%*	*2.4%*
National (Thousands)	2,185	2,173	2,156	2,134	2,117	2,101	2,085	2,070	2,055	2,045	2,035	2,023
% Ch	*-2.5%*	*-2.2%*	*-3.1%*	*-4.0%*	*-3.1%*	*-3.0%*	*-3.0%*	*-2.8%*	*-2.9%*	*-2.1%*	*-1.9%*	*-2.4%*
CHEMICALS												
Idaho	2,264	2,288	2,314	2,338	2,364	2,402	2,436	2,469	2,503	2,536	2,567	2,596
% Ch	*1.7%*	*4.3%*	*4.6%*	*4.2%*	*4.5%*	*6.6%*	*5.7%*	*5.5%*	*5.6%*	*5.3%*	*5.0%*	*4.7%*
National (Thousands)	1,016	1,014	1,007	998	989	981	975	969	962	958	954	949
% Ch	*-1.3%*	*-0.7%*	*-2.7%*	*-3.6%*	*-3.4%*	*-3.1%*	*-2.6%*	*-2.6%*	*-2.5%*	*-1.9%*	*-1.7%*	*-2.0%*
OTHER NONDURABLES												
Idaho	2,168	2,197	2,224	2,252	2,284	2,315	2,347	2,381	2,415	2,446	2,476	2,505
% Ch	*6.0%*	*5.5%*	*5.0%*	*5.2%*	*5.9%*	*5.4%*	*5.8%*	*5.8%*	*5.9%*	*5.3%*	*5.1%*	*4.7%*
National (Thousands)	2,370	2,340	2,311	2,283	2,265	2,246	2,229	2,215	2,200	2,191	2,179	2,165
% Ch	*-5.1%*	*-4.9%*	*-5.0%*	*-4.7%*	*-3.1%*	*-3.3%*	*-3.0%*	*-2.5%*	*-2.6%*	*-1.7%*	*-2.0%*	*-2.5%*
MINING												
Idaho	2,282	2,255	2,231	2,204	2,187	2,174	2,171	2,176	2,067	2,070	2,075	2,074
%Ch	*-2.3%*	*-4.6%*	*-4.3%*	*-4.7%*	*-3.1%*	*-2.5%*	*-0.5%*	*1.0%*	*-18.6%*	*0.6%*	*0.8%*	*-0.2%*
National (Thousands)	534	522	513	508	504	501	500	499	497	495	492	490
%Ch	*-5.4%*	*-9.1%*	*-6.5%*	*-4.2%*	*-2.6%*	*-2.6%*	*-1.2%*	*-0.8%*	*-1.1%*	*-1.8%*	*-2.0%*	*-1.7%*
METAL MINING												
Idaho	1,288	1,259	1,233	1,206	1,188	1,174	1,169	1,171	1,056	1,052	1,049	1,041
%Ch	*-1.0%*	*-8.7%*	*-7.9%*	*-8.7%*	*-5.8%*	*-4.5%*	*-1.8%*	*0.7%*	*-33.9%*	*-1.4%*	*-1.2%*	*-2.9%*
OTHER MINING												
Idaho	994	996	997	999	999	999	1,002	1,005	1,011	1,018	1,026	1,032
% Ch	*-4.0%*	*0.9%*	*0.6%*	*0.5%*	*0.3%*	*0.0%*	*1.1%*	*1.4%*	*2.3%*	*2.8%*	*2.9%*	*2.7%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2000

EMPLOYMENT

	1998				1999				2000			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GOODS PRODUCING (continued)												
CONSTRUCTION												
Idaho	31,952	31,998	32,240	32,702	34,174	34,559	34,989	35,684	36,771	36,538	36,519	36,533
% Ch	*-12.1%*	*0.6%*	*3.1%*	*5.8%*	*19.3%*	*4.6%*	*5.1%*	*8.2%*	*12.8%*	*-2.5%*	*-0.2%*	*0.1%*
National (Thousands)	5,870	5,959	6,057	6,179	6,304	6,377	6,416	6,513	6,665	6,676	6,671	6,678
% Ch	*6.5%*	*6.2%*	*6.8%*	*8.3%*	*8.3%*	*4.8%*	*2.4%*	*6.2%*	*9.7%*	*0.6%*	*-0.3%*	*0.5%*
SERVICE PRODUCING SECTOR												
Idaho	405,156	408,499	411,585	415,943	419,217	423,867	427,831	431,336	435,338	440,185	442,122	445,112
% Ch	*2.8%*	*3.3%*	*3.1%*	*4.3%*	*3.2%*	*4.5%*	*3.8%*	*3.3%*	*3.8%*	*4.5%*	*1.8%*	*2.7%*
National (Thousands)	99,403	100,059	100,772	101,498	102,312	102,976	103,614	104,259	104,946	105,840	105,901	106,403
% Ch	*2.6%*	*2.7%*	*2.9%*	*2.9%*	*3.2%*	*2.6%*	*2.5%*	*2.5%*	*2.7%*	*3.4%*	*0.2%*	*1.9%*
FINANCE, INSUR, REAL ESTATE												
Idaho	22,702	22,825	22,943	23,223	23,790	23,720	23,389	23,335	23,623	23,622	23,599	23,634
% Ch	*-38.2%*	*2.2%*	*2.1%*	*5.0%*	*10.1%*	*-1.2%*	*-5.5%*	*-0.9%*	*5.0%*	*0.0%*	*-0.4%*	*0.6%*
National (Thousands)	7,285	7,364	7,424	7,480	7,526	7,559	7,587	7,605	7,619	7,599	7,612	7,682
% Ch	*4.3%*	*4.4%*	*3.3%*	*3.0%*	*2.5%*	*1.8%*	*1.5%*	*1.0%*	*0.7%*	*-1.0%*	*0.7%*	*3.7%*
TRANS, COMMUN, PUBLIC UTIL												
Idaho	24,958	25,360	25,717	25,936	26,440	26,796	26,898	27,438	27,732	27,823	27,926	28,018
% Ch	*6.3%*	*6.6%*	*5.8%*	*3.4%*	*8.0%*	*5.5%*	*1.5%*	*8.3%*	*4.4%*	*1.3%*	*1.5%*	*1.3%*
National (Thousands)	6,526	6,580	6,638	6,697	6,754	6,799	6,849	6,895	6,938	6,972	6,983	7,004
% Ch	*2.7%*	*3.4%*	*3.6%*	*3.6%*	*3.4%*	*2.7%*	*3.0%*	*2.7%*	*2.6%*	*2.0%*	*0.6%*	*1.2%*
TRADE												
Idaho	131,189	132,333	133,243	133,641	134,592	135,772	136,359	138,254	139,123	140,407	141,650	143,013
% Ch	*4.8%*	*3.5%*	*2.8%*	*1.2%*	*2.9%*	*3.6%*	*1.7%*	*5.7%*	*2.5%*	*3.7%*	*3.6%*	*3.9%*
National (Thousands)	28,910	29,015	29,157	29,298	29,506	29,671	29,784	29,885	30,004	30,178	30,276	30,450
% Ch	*1.2%*	*1.5%*	*2.0%*	*1.9%*	*2.9%*	*2.3%*	*1.5%*	*1.4%*	*1.6%*	*2.3%*	*1.3%*	*2.3%*
SERVICES												
Idaho	126,806	127,938	128,844	131,433	132,530	134,575	137,122	138,769	140,860	142,770	144,334	145,793
% Ch	*3.9%*	*3.6%*	*2.9%*	*8.3%*	*3.4%*	*6.3%*	*7.8%*	*4.9%*	*6.2%*	*5.5%*	*4.5%*	*4.1%*
National (Thousands)	37,004	37,340	37,694	38,073	38,467	38,836	39,194	39,598	39,949	40,272	40,566	40,806
% Ch	*4.2%*	*3.7%*	*3.8%*	*4.1%*	*4.2%*	*3.9%*	*3.7%*	*4.2%*	*3.6%*	*3.3%*	*3.0%*	*2.4%*
STATE & LOCAL GOVERNMENT												
Idaho	86,505	87,294	88,068	89,030	89,061	90,283	91,168	90,626	91,056	91,299	91,691	92,087
% Ch	*15.0%*	*3.7%*	*3.6%*	*4.4%*	*0.1%*	*5.6%*	*4.0%*	*-2.4%*	*1.9%*	*1.1%*	*1.7%*	*1.7%*
National (Thousands)	17,004	17,086	17,173	17,240	17,354	17,441	17,544	17,629	17,704	17,755	17,781	17,840
% Ch	*1.3%*	*1.9%*	*2.1%*	*1.6%*	*2.7%*	*2.0%*	*2.4%*	*2.0%*	*1.7%*	*1.2%*	*0.6%*	*1.3%*
Idaho Education	47,218	47,638	48,071	48,653	48,451	49,398	50,141	49,627	49,991	49,897	50,208	50,526
% Ch	*28.4%*	*3.6%*	*3.7%*	*4.9%*	*-1.7%*	*8.1%*	*6.2%*	*-4.0%*	*3.0%*	*-0.7%*	*2.5%*	*2.6%*
Idaho Other	39,287	39,656	39,997	40,377	40,611	40,885	41,026	40,999	41,065	41,402	41,483	41,561
% Ch	*1.2%*	*3.8%*	*3.5%*	*3.9%*	*2.3%*	*2.7%*	*1.4%*	*-0.3%*	*0.7%*	*3.3%*	*0.8%*	*0.8%*
FEDERAL GOVERNMENT												
Idaho	12,996	12,747	12,769	12,682	12,804	12,722	12,895	12,915	12,945	14,264	12,923	12,566
% Ch	*-9.8%*	*-7.4%*	*0.7%*	*-2.7%*	*3.9%*	*-2.5%*	*5.6%*	*0.6%*	*0.9%*	*47.5%*	*-32.6%*	*-10.6%*
National (Thousands)	2,675	2,674	2,686	2,711	2,705	2,670	2,655	2,646	2,726	3,072	2,682	2,621
% Ch	*-1.5%*	*-0.1%*	*1.9%*	*3.8%*	*-0.9%*	*-5.1%*	*-2.2%*	*-1.3%*	*12.7%*	*61.1%*	*-41.9%*	*-8.7%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2000

EMPLOYMENT

	2001				2002				2003			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
GOODS PRODUCING (continued)												
CONSTRUCTION												
Idaho	36,734	36,913	36,122	36,036	36,007	36,072	36,103	36,127	36,170	36,204	36,216	36,214
% Ch	*2.2%*	*2.0%*	*-8.3%*	*-0.9%*	*-0.3%*	*0.7%*	*0.3%*	*0.3%*	*0.5%*	*0.4%*	*0.1%*	*0.0%*
National (Thousands)	6,691	6,687	6,709	6,716	6,732	6,760	6,806	6,843	6,881	6,917	6,949	6,991
% Ch	*0.7%*	*-0.2%*	*1.3%*	*0.4%*	*0.9%*	*1.7%*	*2.7%*	*2.2%*	*2.2%*	*2.1%*	*1.8%*	*2.5%*
SERVICE PRODUCING SECTOR												
Idaho	448,738	452,143	455,246	458,494	461,446	464,385	467,330	470,230	473,155	476,054	478,961	481,853
% Ch	*3.3%*	*3.1%*	*2.8%*	*2.9%*	*2.6%*	*2.6%*	*2.6%*	*2.5%*	*2.5%*	*2.5%*	*2.5%*	*2.4%*
National (Thousands)	106,818	107,223	107,628	108,111	108,602	109,114	109,720	110,372	111,064	111,714	112,326	112,913
% Ch	*1.6%*	*1.5%*	*1.5%*	*1.8%*	*1.8%*	*1.9%*	*2.2%*	*2.4%*	*2.5%*	*2.4%*	*2.2%*	*2.1%*
FINANCE, INSUR, REAL ESTATE												
Idaho	23,722	23,819	23,909	23,996	24,077	24,155	24,237	24,311	24,378	24,444	24,510	24,577
% Ch	*1.5%*	*1.6%*	*1.5%*	*1.5%*	*1.4%*	*1.3%*	*1.4%*	*1.2%*	*1.1%*	*1.1%*	*1.1%*	*1.1%*
National (Thousands)	7,726	7,756	7,796	7,837	7,883	7,920	7,970	8,019	8,060	8,096	8,136	8,184
% Ch	*2.4%*	*1.5%*	*2.1%*	*2.1%*	*2.4%*	*1.9%*	*2.5%*	*2.5%*	*2.1%*	*1.8%*	*2.0%*	*2.4%*
TRANS, COMMUN, PUBLIC UTIL												
Idaho	28,104	28,191	28,279	28,365	28,451	28,538	28,624	28,711	28,798	28,885	28,971	29,058
% Ch	*1.2%*	*1.2%*	*1.2%*	*1.2%*	*1.2%*	*1.2%*	*1.2%*	*1.2%*	*1.2%*	*1.2%*	*1.2%*	*1.2%*
National (Thousands)	7,009	7,003	7,037	7,054	7,073	7,104	7,148	7,186	7,221	7,255	7,287	7,325
% Ch	*0.3%*	*-0.3%*	*2.0%*	*1.0%*	*1.1%*	*1.8%*	*2.5%*	*2.2%*	*1.9%*	*1.9%*	*1.7%*	*2.1%*
TRADE												
Idaho	144,522	145,979	147,245	148,488	149,716	150,928	152,145	153,357	154,558	155,761	156,970	158,171
% Ch	*4.3%*	*4.1%*	*3.5%*	*3.4%*	*3.3%*	*3.3%*	*3.3%*	*3.2%*	*3.2%*	*3.1%*	*3.1%*	*3.1%*
National (Thousands)	30,446	30,535	30,431	30,466	30,506	30,510	30,523	30,625	30,813	30,992	31,158	31,244
% Ch	*0.0%*	*1.2%*	*-1.4%*	*0.5%*	*0.5%*	*0.1%*	*0.2%*	*1.3%*	*2.5%*	*2.3%*	*2.2%*	*1.1%*
SERVICES												
Idaho	147,493	148,923	150,246	151,543	152,795	154,025	155,262	156,493	157,715	158,930	160,154	161,366
% Ch	*4.7%*	*3.9%*	*3.6%*	*3.5%*	*3.3%*	*3.3%*	*3.3%*	*3.2%*	*3.2%*	*3.1%*	*3.1%*	*3.1%*
National (Thousands)	41,140	41,379	41,764	42,083	42,428	42,827	43,283	43,709	44,091	44,448	44,777	45,145
% Ch	*3.3%*	*2.3%*	*3.8%*	*3.1%*	*3.3%*	*3.8%*	*4.3%*	*4.0%*	*3.5%*	*3.3%*	*3.0%*	*3.3%*
STATE & LOCAL GOVERNMENT												
Idaho	92,431	92,745	93,061	93,389	93,693	94,015	94,327	94,639	94,981	95,306	95,624	95,947
% Ch	*1.5%*	*1.4%*	*1.4%*	*1.4%*	*1.3%*	*1.4%*	*1.3%*	*1.3%*	*1.5%*	*1.4%*	*1.3%*	*1.4%*
National (Thousands)	17,894	17,947	17,995	18,040	18,084	18,125	18,168	18,212	18,258	18,304	18,351	18,400
% Ch	*1.2%*	*1.2%*	*1.1%*	*1.0%*	*1.0%*	*0.9%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.0%*	*1.1%*
Idaho Education	50,786	51,025	51,265	51,518	51,755	52,016	52,265	52,519	52,807	53,079	53,345	53,616
% Ch	*2.1%*	*1.9%*	*1.9%*	*2.0%*	*1.9%*	*2.0%*	*1.9%*	*2.0%*	*2.2%*	*2.1%*	*2.0%*	*2.0%*
Idaho Other	41,645	41,720	41,797	41,872	41,938	41,999	42,062	42,119	42,174	42,227	42,278	42,330
% Ch	*0.8%*	*0.7%*	*0.7%*	*0.7%*	*0.6%*	*0.6%*	*0.6%*	*0.6%*	*0.5%*	*0.5%*	*0.5%*	*0.5%*
FEDERAL GOVERNMENT												
Idaho	12,466	12,486	12,506	12,712	12,714	12,724	12,737	12,720	12,724	12,728	12,732	12,736
% Ch	*-3.2%*	*0.7%*	*0.6%*	*6.8%*	*0.0%*	*0.3%*	*0.4%*	*-0.5%*	*0.1%*	*0.1%*	*0.1%*	*0.1%*
National (Thousands)	2,603	2,603	2,605	2,632	2,629	2,628	2,628	2,622	2,620	2,619	2,618	2,616
% Ch	*-2.8%*	*0.1%*	*0.2%*	*4.2%*	*-0.4%*	*-0.1%*	*-0.1%*	*-0.9%*	*-0.2%*	*-0.2%*	*-0.2%*	*-0.2%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2000

MISCELLANEOUS

	1998				1999				2000			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
FEDERAL TRANSFERS TO STATE & LOCAL GOVERNMENTS												
Idaho (Millions)	980.8	983.8	1,004.3	1,032.0	1,063.3	1,058.5	1,114.4	1,137.3	1,123.0	1,150.6	1,166.8	1,186.7
% Ch	*-0.1%*	*1.2%*	*8.6%*	*11.5%*	*12.7%*	*-1.8%*	*22.9%*	*8.5%*	*-4.9%*	*10.2%*	*5.8%*	*7.0%*
National (Billions)	205.0	205.4	209.9	216.1	223.0	221.4	234.0	238.8	235.0	240.9	244.2	248.4
% Ch	*-1.2%*	*0.8%*	*9.1%*	*12.3%*	*13.4%*	*-2.8%*	*24.8%*	*8.5%*	*-6.2%*	*10.4%*	*5.6%*	*7.0%*
SELECTED CHAIN-WEIGHTED DEFL.												
Gross Domestic Product	102.8	103.0	103.4	103.7	104.3	104.6	104.9	105.3	106.2	106.9	107.4	108.1
% Ch	*1.0%*	*1.1%*	*1.5%*	*1.0%*	*2.2%*	*1.5%*	*1.0%*	*1.6%*	*3.3%*	*2.6%*	*2.2%*	*2.6%*
Consumption Expenditures	102.5	102.8	103.2	103.6	104.0	104.6	105.1	105.7	106.6	107.2	107.8	108.5
% Ch	*0.4%*	*1.2%*	*1.4%*	*1.5%*	*1.7%*	*2.3%*	*1.9%*	*2.2%*	*3.5%*	*2.3%*	*2.4%*	*2.4%*
Durable Goods	96.3	95.8	95.3	94.3	93.8	93.3	92.9	92.4	92.0	91.8	91.7	91.5
% Ch	*-1.6%*	*-1.9%*	*-2.1%*	*-3.9%*	*-2.4%*	*-1.9%*	*-1.9%*	*-1.8%*	*-2.0%*	*-0.6%*	*-0.5%*	*-0.7%*
Nondurable Goods	101.2	101.1	101.4	101.7	102.2	103.4	104.2	105.1	106.5	107.4	108.1	108.8
% Ch	*-1.3%*	*-0.3%*	*1.2%*	*1.2%*	*1.8%*	*5.0%*	*2.8%*	*3.6%*	*5.4%*	*3.4%*	*2.6%*	*2.7%*
Services	104.5	105.2	105.8	106.5	107.2	107.7	108.3	108.9	109.9	110.5	111.3	112.1
% Ch	*1.6%*	*2.7%*	*2.3%*	*2.7%*	*2.5%*	*1.8%*	*2.3%*	*2.3%*	*3.7%*	*2.3%*	*3.0%*	*2.9%*
Cons. Price Index (1982-84)	162.1	162.8	163.5	164.2	164.9	166.2	167.2	168.4	170.1	171.6	172.9	174.0
% Ch	*1.0%*	*1.7%*	*1.7%*	*1.7%*	*1.7%*	*3.3%*	*2.5%*	*2.9%*	*4.0%*	*3.6%*	*3.0%*	*2.6%*
SELECTED INTEREST RATES												
Federal Funds	5.52%	5.50%	5.53%	4.86%	4.73%	4.75%	5.09%	5.31%	5.68%	6.27%	6.50%	6.50%
Prime	8.50%	8.50%	8.50%	7.92%	7.75%	7.75%	8.10%	8.37%	8.69%	9.25%	9.50%	9.50%
Existing Home Mortgage	7.22%	7.21%	7.08%	6.88%	6.95%	7.13%	7.58%	7.66%	8.02%	8.19%	7.97%	7.76%
U.S. Govt. 3-Month Bills	5.05%	4.98%	4.82%	4.26%	4.41%	4.45%	4.65%	5.04%	5.52%	5.71%	6.05%	5.99%
SELECTED US PRODUCTION INDICES												
Lumber & Wood Products	106.1	106.9	108.1	109.7	111.0	111.3	109.4	109.5	110.1	108.1	106.0	105.6
% Ch	*3.3%*	*2.9%*	*4.5%*	*6.1%*	*5.1%*	*1.0%*	*-6.6%*	*0.3%*	*2.3%*	*-7.3%*	*-7.6%*	*-1.2%*
Office & Computer Equip.	190.7	202.7	245.9	273.0	306.6	344.3	379.1	412.6	452.3	495.2	536.4	575.9
% Ch	*143.9%*	*27.6%*	*116.4%*	*52.0%*	*59.1%*	*59.0%*	*47.0%*	*40.4%*	*44.4%*	*43.7%*	*37.7%*	*32.8%*
Electrical Machinery	140.2	147.3	157.2	165.3	169.1	181.3	194.0	202.8	221.7	248.1	267.6	281.4
% Ch	*12.5%*	*22.0%*	*29.5%*	*22.4%*	*9.4%*	*32.2%*	*31.1%*	*19.4%*	*42.8%*	*56.9%*	*35.2%*	*22.3%*
Electronic Components	180.2	198.2	226.0	251.3	260.4	293.3	326.0	361.3	423.8	514.1	566.9	607.2
% Ch	*23.2%*	*46.1%*	*69.2%*	*52.9%*	*15.3%*	*60.8%*	*52.7%*	*50.8%*	*89.4%*	*116.5%*	*47.9%*	*31.7%*
Food	103.9	103.7	102.7	104.6	105.4	104.8	103.5	104.5	104.9	105.6	106.3	107.1
% Ch	*4.7%*	*-0.9%*	*-4.0%*	*7.8%*	*3.2%*	*-2.5%*	*-4.6%*	*3.9%*	*1.5%*	*2.9%*	*2.5%*	*2.9%*
Paper	105.8	105.8	105.7	105.3	106.5	105.8	106.6	108.4	107.5	107.3	106.0	105.2
% Ch	*-2.7%*	*0.0%*	*-0.4%*	*-1.6%*	*4.8%*	*-2.5%*	*3.1%*	*6.8%*	*-3.2%*	*-0.9%*	*-4.6%*	*-3.0%*
Agricultural Chemicals	106.1	107.7	110.6	109.0	109.2	110.3	108.3	109.2	105.5	103.0	99.2	101.6
% Ch	*5.6%*	*6.1%*	*11.5%*	*-5.9%*	*0.7%*	*4.3%*	*-6.9%*	*3.1%*	*-12.9%*	*-8.9%*	*-14.1%*	*10.3%*
Metals & Minerals Mining	107.0	106.0	106.4	107.0	106.1	103.1	100.9	102.2	103.3	102.5	102.7	103.5
% Ch	*6.4%*	*-3.4%*	*1.2%*	*2.3%*	*-3.4%*	*-10.8%*	*-8.1%*	*5.1%*	*4.6%*	*-3.3%*	*1.1%*	*2.9%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

IDAHO ECONOMIC FORECAST

QUARTERLY DETAIL

OCTOBER 2000

MISCELLANEOUS

	2001				2002				2003			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
FEDERAL TRANSFERS TO STATE & LOCAL GOVERNMENTS												
Idaho (Millions)	1,212.1	1,232.2	1,252.4	1,273.7	1,294.7	1,315.7	1,337.0	1,358.5	1,380.1	1,402.0	1,424.6	1,448.7
% Ch	*8.9%*	*6.8%*	*6.7%*	*7.0%*	*6.8%*	*6.6%*	*6.7%*	*6.6%*	*6.5%*	*6.5%*	*6.6%*	*7.0%*
National (Billions)	253.8	258.1	262.3	266.8	271.3	275.8	280.4	285.1	289.8	294.5	299.5	304.8
% Ch	*9.0%*	*6.8%*	*6.8%*	*7.0%*	*6.9%*	*6.9%*	*6.8%*	*6.8%*	*6.8%*	*6.8%*	*6.9%*	*7.3%*
SELECTED CHAIN-WEIGHTED DEFL.												
Gross Domestic Product	108.7	109.4	109.9	110.3	110.8	111.3	111.7	112.2	112.7	113.2	113.8	114.4
% Ch	*2.3%*	*2.3%*	*1.9%*	*1.7%*	*1.8%*	*1.5%*	*1.6%*	*1.7%*	*2.0%*	*1.8%*	*2.0%*	*2.2%*
Consumption Expenditures	108.9	109.4	109.9	110.3	110.7	111.2	111.6	112.1	112.6	113.1	113.7	114.3
% Ch	*1.7%*	*1.8%*	*1.6%*	*1.6%*	*1.6%*	*1.6%*	*1.7%*	*1.8%*	*1.8%*	*1.9%*	*2.0%*	*2.2%*
Durable Goods	91.4	91.1	90.9	90.7	90.5	90.3	90.1	90.0	89.8	89.7	89.6	89.6
% Ch	*-0.8%*	*-1.0%*	*-0.9%*	*-0.9%*	*-0.9%*	*-0.9%*	*-0.8%*	*-0.7%*	*-0.6%*	*-0.6%*	*-0.4%*	*-0.3%*
Nondurable Goods	109.0	109.4	109.6	109.9	110.1	110.4	110.8	111.1	111.5	112.0	112.4	112.9
% Ch	*0.9%*	*1.4%*	*0.6%*	*1.1%*	*0.9%*	*1.1%*	*1.3%*	*1.4%*	*1.4%*	*1.5%*	*1.7%*	*1.8%*
Services	112.9	113.6	114.3	115.0	115.7	116.4	117.1	117.8	118.5	119.2	120.0	120.9
% Ch	*2.6%*	*2.6%*	*2.6%*	*2.4%*	*2.4%*	*2.3%*	*2.4%*	*2.4%*	*2.5%*	*2.5%*	*2.7%*	*2.9%*
Cons. Price Index (1982-84)	174.8	175.6	176.3	177.1	177.8	178.5	179.3	180.1	181.0	181.8	182.8	183.8
% Ch	*1.9%*	*1.9%*	*1.7%*	*1.7%*	*1.6%*	*1.6%*	*1.7%*	*1.8%*	*1.9%*	*1.9%*	*2.1%*	*2.2%*
SELECTED INTEREST RATES												
Federal Funds	6.50%	6.50%	6.50%	6.25%	6.25%	6.08%	6.00%	6.00%	6.00%	6.01%	6.01%	6.01%
Prime	9.50%	9.50%	9.50%	9.25%	9.25%	9.08%	8.75%	8.50%	8.26%	8.26%	8.26%	8.26%
Existing Home Mortgage	7.58%	7.57%	7.55%	7.40%	7.26%	7.14%	7.03%	6.98%	6.95%	6.93%	6.92%	6.92%
U.S. Govt. 3-Month Bills	5.97%	5.95%	5.95%	5.75%	5.75%	5.62%	5.56%	5.56%	5.56%	5.56%	5.56%	5.55%
SELECTED US PRODUCTION INDICES												
Lumber & Wood Products	105.8	105.7	105.3	104.6	103.8	103.2	103.9	104.7	105.6	106.8	107.8	108.5
% Ch	*0.5%*	*-0.2%*	*-1.7%*	*-2.7%*	*-2.8%*	*-2.3%*	*2.7%*	*3.1%*	*3.6%*	*4.3%*	*3.8%*	*3.0%*
Office & Computer Equip.	602.3	633.1	661.0	686.5	705.6	733.4	762.0	794.2	818.6	852.5	883.0	916.5
% Ch	*19.6%*	*22.1%*	*18.8%*	*16.4%*	*11.6%*	*16.7%*	*16.5%*	*18.0%*	*12.9%*	*17.6%*	*15.1%*	*16.0%*
Electrical Machinery	289.4	298.3	305.4	312.1	316.9	324.0	332.0	341.2	349.3	360.1	370.2	380.2
% Ch	*11.9%*	*12.8%*	*9.9%*	*9.1%*	*6.3%*	*9.2%*	*10.3%*	*11.6%*	*9.9%*	*12.9%*	*11.6%*	*11.3%*
Electronic Components	633.5	663.2	688.7	713.3	731.7	757.1	784.1	814.3	840.9	875.0	907.8	941.6
% Ch	*18.5%*	*20.1%*	*16.3%*	*15.1%*	*10.8%*	*14.6%*	*15.1%*	*16.3%*	*13.7%*	*17.2%*	*15.9%*	*15.7%*
Food	107.8	108.6	109.3	110.0	110.8	111.5	111.9	112.3	112.7	113.2	113.7	114.2
% Ch	*2.9%*	*2.8%*	*2.6%*	*2.8%*	*2.9%*	*2.4%*	*1.6%*	*1.4%*	*1.5%*	*1.7%*	*1.7%*	*1.8%*
Paper	106.3	107.5	108.9	110.2	111.6	112.9	114.3	115.5	116.6	117.6	118.6	119.3
% Ch	*3.9%*	*4.8%*	*5.3%*	*5.0%*	*5.2%*	*4.8%*	*4.8%*	*4.3%*	*4.0%*	*3.6%*	*3.1%*	*2.6%*
Agricultural Chemicals	104.3	107.0	109.3	110.9	112.2	113.0	114.2	115.2	116.2	116.9	117.7	118.6
% Ch	*10.9%*	*10.7%*	*9.2%*	*5.9%*	*4.5%*	*3.2%*	*4.1%*	*3.6%*	*3.4%*	*2.6%*	*2.7%*	*2.9%*
Metals & Minerals Mining	104.2	104.9	105.7	106.4	107.3	108.2	109.4	110.5	111.7	112.9	114.1	115.3
% Ch	*2.9%*	*2.6%*	*3.0%*	*2.9%*	*3.3%*	*3.6%*	*4.5%*	*4.0%*	*4.3%*	*4.4%*	*4.4%*	*4.2%*

National Variables Forecast by Standard and Poor's DRI
Forecast Begins the SECOND Quarter of 2000

This page left blank intentionally.

APPENDIX

THE DRI U.S. MACROECONOMIC MODEL

Standard and Poor's DRI Macroeconomic Model is a multiple-equation model of the U.S. economy. Consisting of over 1,200 equations, the model is solved iteratively to generate the results of different policy and forecast scenarios. The model incorporates the best insights of many theoretical schools of thought to depict the economic decision processes and interactions of households, businesses, and governments.

The DRI model is divided into the following eight major sectors:

I Private Domestic Spending
II Production and Income
III Taxes
IV International Transactions
V Financial
VI Inflation
VII Supply
VIII Expectations

I. **Private Domestic Spending**. Major aggregate demand components include consumption, investment, and government. Consumer purchases are divided among three categories: durable goods, nondurable goods, and services. In nearly all cases, real expenditures are influenced by real income and the relative price of consumer goods. Durable and semidurable goods are also sensitive to household net worth, current finance costs, and consumer sentiment.

DRI divides investment into two general categories: fixed investment and inventories. The former is driven by utilization rates, capital stock, relative prices, financial market conditions, financial balance sheet conditions, and government policies. Inventory investment is heavily influenced by such factors as past and present sales levels, vendor performance, and utilization rates.

The government sector is divided into federal government and state and local government. Most of the federal expenditure side is exogenous. Federal receipts are endogenous and divided into personal taxes, corporate taxes, indirect business taxes, and contributions for social insurance. State and local sector receipts depend primarily on federal grants and various tax rates and bases. State and local government spending is driven by legal requirements (i.e., balanced budgets), the level of federal grants (due to the matching requirements of many programs), population growth, and trend increases in personal income.

II. **Production and Income**. The industrial production sector includes 74 standard industrial classifications. Production is a function of various cyclical and trend variables and a generated output term, i.e., the input-output (I-O) relationship between the producing industry and both intermediate industries and final demand. The cyclical and trend variables correct for changes in I-O coefficients that are implied by the changing relationship between buyers and sellers.

Pre-tax income categories include private and government wages, corporate profits, interest rate, and entrepreneurial returns. Each of these categories, except corporate profits, is determined by some combination of wages, prices, interest rates, debt levels, capacity utilization rate, and

unemployment rate. Corporate profits are calculated as the residual of total national income less the non-profit components of income mentioned above.

III. **Taxes.** The model tracks personal, corporate, payroll, and excise taxes separately. Tax revenues are simultaneously forecast as the product of the rate and the associated pre-tax income components. The model automatically adjusts the effective average personal tax rate for variations in inflation and income per household, and the effective average corporate rate for credits earned on equipment, utility structures, and R&D. State taxes are fully endogenous, except for corporate profits and social insurance tax rates.

IV. **International.** The international sector can either add or divert strength from the central flow of domestic income and spending. Imports' ability to capture varying shares of domestic demand depends on the prices of foreign output, the U.S. exchange rate, and competing domestic prices. Exports' portion of domestic spending depends on similar variables and the level of world gross domestic product. The exchange rate itself responds to international differences in inflation, interest rates, trade deficits, and capital flows between the U.S. and its competitors. Investment income flows are also explicitly modeled.

V. **Financial.** The DRI model includes a highly detailed financial sector. Several short- and long-term interest rates are covered in this model, and they are the key output of this sector. The short-term rates depend upon the balance between the demand and supply of reserves in the banking system. The supply of reserves is the primary exogenous monetary policy lever within the model, reflecting the Federal Reserve's open market purchases or sales of Treasury securities. Longer-term interest rates are driven by shorter-term rates as well as factors affecting the slope of the yield curve. These factors include inflation expectations, government borrowing requirements, and corporate finance needs.

VI. **Inflation**. Inflation is modeled as a controlled, interactive process involving wages, prices, and market conditions. The principal domestic cost influences are labor compensation, nonfarm productivity, and foreign input costs that later are driven by the exchange rate, the price of oil, and foreign wholesale price inflation. This set of cost influences drives each of the industry-specific producer price indexes, in combination with a demand pressure indicator and appropriately weighted composites of the other producer price indexes.

VII. **Supply.** In this model, aggregate supply (or potential GNP), is estimated by a Cobb-Douglas production function that combines factor input growth and improvements to total factor productivity. Factor input equals a weighted average of labor, business fixed capital, and energy. Factor supplies are defined by estimates of the full employment labor force, the full employment capital stock net of pollution abatement equipment, the domestic production of petroleum and natural gas, and the stock of infrastructure. Total factor productivity depends upon the stock of research and development capital and trend technological change.

VIII. **Expectations.** Expectations impact several expenditure categories in the model, but the principal nuance relates to the entire spectrum of interest rates. Shifts in price expectations or the expected government capital needs influences are captured directly in this model through price expectations and budget deficit terms. The former impacts all interest rates and the latter impacts intermediate- and long-term rates. On the expenditure side, inflationary expectations impact consumption via consumer sentiment, while growth expectations affect business investment.

THE IDAHO ECONOMIC MODEL

The Idaho Economic Model (IEM) is an income and employment based model of Idaho's economy. The Model consists of a simultaneous system of linear regression equations, which are estimated using quarterly data. The primary exogenous variables are obtained from the DRI U.S. Macroeconomic Model. Endogenous variables are forecast at the statewide level of aggregation.

The focal point of the IEM is Idaho personal income, which is given by the identity:

personal income = wage and salary payments + other labor income + farm proprietors' income + nonfarm proprietors' income + property income + transfer payments - contributions for social insurance + residence adjustment.

With the exception of farm proprietors' income and wage and salary payments, each of the components of personal income is estimated stochastically by a single equation. Farm proprietors' income and wage and salary payments each comprise submodels containing a system of stochastic equations and identities.

The farm proprietor sector is estimated using a highly aggregated submodel consisting of equations for crop marketing receipts, livestock marketing receipts, production expenses, inventory changes, imputed rent income, corporate farm income, and government payments to farmers. Farm proprietors' income includes inventory changes and imputed rent, but this component is netted out of the tax base.

At the heart of the IEM is the wage and salary sector, which includes stochastic employment equations for 18 Standard Industrial Classification (SIC) employment categories. Conceptually, the employment equations are divided into basic and domestic activities. The basic employment equations are specified primarily as functions of national demand and supply variables. Domestic employment equations are specified primarily as functions of state-specific demand variables. Average annual wages are estimated for several broad employment categories and are combined with employment to arrive at aggregate wage and salary payments.

The demographic component of the model is used to forecast components of population change and housing starts. Resident population, births, and deaths are modeled stochastically. Net migration is calculated residually from the estimates for those variables. Housing starts are divided into single and multiple units. Each equation is functionally related to economic and population variables.

The output of the IEM (i.e., the forecast values of the endogenous variables) is determined by the parameters of the equations and the values of exogenous variables over the forecast period. The values of equation parameters are determined by the historic values of both the exogenous and endogenous variables. IEM equation parameters are estimated using the technique of ordinary least squares. Model equations are occasionally respecified in response to the dynamic nature of the Idaho and national economies. Parameter values for a particular equation (given the same specification) may change as a result of revisions in the historic data or a change in the time interval of the estimation. In general, parameter values should remain relatively constant over time, with changes reflecting changing structural relationships.

While the equation parameters are determined by structural relationships and remain relatively fixed, the forecast period exogenous variable values are more volatile determinants of the forecast values of endogenous variables. They are more often subject to change as expectations regarding future economic behavior change, and they are more likely to give rise to debate over appropriate values. As mentioned above, the forecast period values of exogenous variables are primarily obtained from DRI's U.S. Macroeconomic Model.

Since the output of the IEM depends in large part upon the output of the DRI model, an understanding of the DRI model, its input assumptions, and its output is useful in evaluating the results of the IEM's forecast. The assumptions and output of the DRI model are discussed in the National Forecast section.

IDAHO ECONOMIC MODEL EQUATIONS

ID0AHEMF	ID0AHEMF= 3.24057 + 7.41440*ID0NEWMFD\1/ID0NEWMF\1*JRWSSNF + 9.15000*ID0NEWMFN\1/ID0NEWMF\1*JRWSSNF
ID0AVGW$	ID0AVGW$=((ID0WBB$-ID0WBBF$-ID0WBBMIL$)/ID0NEW)*1000
ID0CRCROP	ID0CRCROP= -1.42029 + 0.0109286*CRCROP + 1.94137*WPI01
ID0CRLVSTK	ID0CRLVSTK= -1.38468 + 0.0239885*CRCATCVS + 1.84650*WPI01
ID0EXFP	ID0EXFP= -1.64442 + 4.14018*WPI01
ID0GIA$	ID0GIA$= 91.5861 + 933.652*VAIDGF@SL*ID0NPT/N
ID0HSPR	ID0HSPR= ID0HSPRS1@A + ID0HSPRS2A@A
ID0HSPRS1@A	ID0HSPRS1@A= -11.0917 - 0.373455*(RMMTGENS-MOVAVG(5 TO 1,RMMTGENS)) + 107.210*(MOVAVG(4 TO 1,ID0NPT)-MOVAVG(8 TO 5,ID0NPT)) + 0.0433355*ID0KHU\1
ID0HSPRS2A@A	ID0HSPRS2A@A= 9.07161 + 47.3305*(MOVAVG(4 TO 1,ID0NPT) -MOVAVG(8 TO 5,ID0NPT)) - 0.318743*MOVAVG(3 TO 0,RMMTGENS) - .0313010*TIME
ID0IPMFDNEC	ID0IPMFDNEC= 13.0*JQIND25*100/81.2 + 52.5*JQIND37*100/81.2 + 15.7*JQIND39*100/81.2
ID0IP26&27	ID0IP26&27=252.3*JQIND26*100/498.1 + 245.8*JQIND27*100/498.1
ID0IP32&34	ID0IP32&34= 58.8*JQIND32*100/206.9 + 148.1*JQIND34*100/206.9
ID0KHU	ID0KHU= ID0KHU1 + ID0KHU2A
ID0KHU1	ID0KHU1= ((1-0.003)**.25)*ID0KHU1\1 + ID0HSPRS1@A/4
ID0KHU2A	ID0KHU2A= ((1-0.003)**.25)*ID0KHU2A\1 + ID0HSPRS2A@A/4
ID0NB	ID0NB= 5.12748 + 35.6561*ID0NPT - 0.145490*TIME
ID0ND	ID0ND= 0.190359 + 5.46400*ID0NPT + 0.0105285*TIME
ID0NEW	ID0NEW= ID0NEWMF + ID0NEWNM
ID0NEWCC	ID0NEWCC= -14.0726+ 0.0150095*ID0HSPRS1@A\1+ 0.127366*ID0HSPRS1@A\2 + 0.239722*ID0HSPRS1@A\3+0.352079*ID0HSPRS1@A\4 + 0.464435*ID0HSPRS1@A\5+ 0.576792*ID0HSPRS1@A\6+ 0.148673*TIME
ID0NEWFIR	ID0NEWFIR= -2.57425 + 0.155868*MOVAVG(1 TO 0,ID0HSPR) + 25.7685*ID0NPT - 4.46420*DUM861ON - 3.29466*DUM981ON
ID0NEWGOOD	ID0NEWGOOD= ID0NEWMF + ID0NEWMG + ID0NEWCC

ID0NEWGV	ID0NEWGV= ID0NEWGVF + ID0NEWGVSL
ID0NEWGVF	ID0NEWGVF= -2.08735 + 1030.81*EGF*(ID0NPT/N) + 3.84212* EGF*(GFO96C/GF96C) - 0.00510671*TIME
ID0NEWGVSL	ID0NEWGVSL= ID0NEWGVSLED + ID0NEWGVSL@ED
ID0NEWGVSLED	ID0NEWGVSLED= -13.0813 + 70.1829*(ID0NPT*((N-N16A)/N)) + 0.569367*MOVAVG(8 TO 4,ID0YPTXB) + 0.144973*TIME
ID0NEWGVSL@ED	ID0NEWGVSL@ED= -15.9695 + 23.6316*ID0NPT + 0.129766*TIME
ID0NEWMF	ID0NEWMF= ID0NEWMFD + ID0NEWMFN
ID0NEWMFD	ID0NEWMFD= ID0NEW24 + ID0NEW32&34 + ID0NEW35&36 + D0NEWMFDNEC
ID0NEWMFDNEC	ID0NEWMFDNEC= -4.21579 + 0.0852365*ID0IPMFDNEC
ID0NEWMFN	ID0NEWMFN= ID0NEW20 + ID0NEW26&27 + ID0NEW28 + ID0NEWMFNNEC
ID0NEWMFNNEC	ID0NEWMFNNEC= 0.734195 + 0.00250484*(CNCS96C + CNOTH96C) - 0.135962*DUM87ON
ID0NEWMG	ID0NEWMG= ID0NEWMG@10 + ID0NEW10
ID0NEWMG@10	ID0NEWMG@10= 3.05865 + 0.861479*MOVAVG(2 TO 0,JQIND287) + 0.0475416*ID0HSPR + 0.0110588*JQIND333@9*TIME - 0.462502*JQIND33/EMI - 0.905502*JRWSSNF/WPI10- 0.0194385*TIME
ID0NEWNGOOD	ID0NEWNGOOD= ID0NEWNM - ID0NEWMG - ID0NEWCC
ID0NEWNM	ID0NEWNM= ID0NEWCC + ID0NEWFIR + ID0NEWGV + ID0NEWSV + ID0NEWTCU+ ID0NEWWR + ID0NEWMG
ID0NEWSV	ID0NEWSV= -37.4361 + 6.09259*MOVAVG(3 TO 0,YPADJ@ID)/ MOVAVG(3 TO 0,PCWC) + 0.0398198*TIME
ID0NEWTCU	ID0NEWTCU= -11.1243 + 0.0910819*ID0KHU\1
ID0NEWWR	ID0NEWWR= 1.19986 + 4.59334*MOVAVG(3 TO 0,YPADJ@ID)/MOVAVG(3 TO 0,PCWC) + 0.0656821*TIME
ID0NEW10	ID0NEW10= 3.08640 + 5.70492*JQIND333@9 - 1.46193*JQIND33/EMI - 5.39239*JRWSSNF/WPI10
ID0NEW20	ID0NEW20= ID0NEW20@203 + ID0NEW203
ID0NEW20@203	ID0NEW20@203= -4.66521 + 11.3507*JQIND20
ID0NEW203	ID0NEW203= 5.01452 + 24.4183*JQIND201@7A9 - 0.0939085*JQIND201@7A9*TIME

ID0NEW24	ID0NEW24= 20.2241 + 7.64817*MOVAVG(1 TO 0,JQIND24) - 11.8614*JRWSSNF/WPI08 - 0.414998*DUM821ON - 0.0284383*TIME
ID0NEW26&27	ID0NEW26&27= -1.27750 + 0.0849884*MOVAVG(4 TO 1,ID0IP26&27)
ID0NEW28	ID0NEW28= -0.330748 + 1.36675*MOVAVG(2 TO 1,JQIND287) + 0.927711*DUM841ON - 1.93663*DUM951ON + 0.0111393*TIME
ID0NEW32&34	ID0NEW32&34= -1.48858 + 0.0287328*MOVAVG(1 TO 0,ID0IP32&34) 1.96480*JQIND34/E34 + 0.0575920* ((ID0NEW20\1+ID0NEW24\1+ID0NEWMG\1+ID0NEWCC\1+ ID0NEW26&27\1))
ID0NEW35	ID0NEW35= -5.57487 + 0.656313*JQIND357 - 1.40512*DUM861884 + 0.0742502*TIME
ID0NEW35&36	ID0NEW35&36= ID0NEW35 + ID0NEW36
ID0NEW36	ID0NEW36= -10.8751 + 1.53300*JQIND367 - 0.888123*DUM801884 + 0.0939276*TIME
ID0NMG	ID0NMG= 4*(ID0NPT-ID0NPT\1) - (ID0NB-ID0ND)/1000
ID0NPT	ID0NPT= -0.0806345 + 1.01176*ID0NPT\1 + 0.0718730* (ID0NEW\1/ID0NEW\5)/(EEA\1/EEA\5)
ID0WBB$	ID0WBB$= ID0WBBMF$ + ID0WBBOTH$ + ID0WBBCC$ + ID0WBBF$ + ID0WBBMIL$
ID0WBBCC$	ID0WBBCC$= (ID0WRWCC$*ID0NEWCC)/1000000
ID0WBBF$	ID0WBBF$= -0.463049 + 0.569152*WPI02
ID0WBBMF$	ID0WBBMF$= (ID0WRWMF$*ID0NEWMF)/1000000
ID0WBBMIL$	ID0WBBMIL$= 0.0236301 + 0.253052*(ID0NPT/N)*GFMLWSS@FAC
ID0WBBOTH$	ID0WBBOTH$= ID0WRWOTH$*(ID0NEW-ID0NEWCC-ID0NEWMF)/1000000
ID0WRWCC$	ID0WRWCC$= 8259.90 + 1572.77*ID0AHEMF
ID0WRWMF$	ID0WRWMF$= -14325.8 + 3781.42*ID0AHEMF
ID0WRWOTH$	ID0WRWOTH$= -6116.51 + 2311.96*ID0AHEMF
ID0YDIR$	ID0YDIR$= -0.0568909 + 1.03921* ((YINTPER+DIV+YRENTADJ)*MOVAVG(4 TO 1,ID0YP$)/MOVAVG(4 TO 1,YP))
ID0YFC$	ID0YFC$= -0.121245 + 0.801752*ID0YFC$\1 + 0.127172*WPI01
ID0YINV&R$	ID0YINV&R$= -0.127828 + 0.715105*ID0YINV&R$\1 + 0.184253*WPI01
ID0YP	ID0YP= ID0YP$/PCWC

ID0YP$	ID0YP$=ID0WBB$+ID0YSUP$+ID0YDIR$+ID0YPRNF$+ID0YPRF$ +ID0YTR$+ID0YRA$-ID0YSI$
ID0YPNF	ID0YPNF= ID0YPNF$/PCWC
ID0YPNF$	ID0YPNF$= ID0YP$-ID0YPRF$-ID0WBBF$
ID0YPNFPC	ID0YPNFPC= ID0YPNF$/PCWC/ID0NPT
ID0YPRF$	ID0YPRF$= 0.343556 + 264.639* (((ID0CRCROP+ID0CRLVSTK+ID0YTRF$+ID0YINV&R$-ID0YFC$-ID0EXFP)/1000))
ID0YPRNF$	ID0YPRNF$= 0.0115233 + 0.00456632*YENTNFADJ
ID0YPTXB	ID0YPTXB= (ID0WBB$+ID0YPRNF$+ID0YDIR$+(ID0YPRF$-ID0YINV&R$/1000))/PCWC
ID0YRA$	ID0YRA$= -0.0662470 + 0.0267696*ID0WBB$
ID0YSI$	ID0YSI$= 0.0190966 + 1.02421*TWPER*ID0WBB$/WSD
ID0YSUP$	ID0YSUP$= -0.112963 + 1.12055*YOL*(ID0WBB$/WSD)
ID0YTR$	ID0YTR$= 0.108244 + 0.783432*((VGF@PER+VGSL@PER)*(ID0NPT/N))
ID0YTRF$	ID0YTRF$= 0.00890724 + 0.0132476*TRF$
YPADJ@ID	YPADJ@ID=ID0YPNF$+MOVAVG(3 TO 0,ID0YPRF$) + MOVAVG(3 TO 0,ID0WBBF$)

ENDOGENOUS VARIABLES

ID0AHEMF	Average hourly earnings in manufacturing
ID0AVGW$	Average annual wage
ID0CRCROP	Cash receipts, crops, not seasonally adjusted
ID0CRLVSTK	Cash receipts, livestock, not seasonally adjusted
ID0EXFP	Farm production expenses
ID0GIA$	Federal grants-in-aid to Idaho governments
ID0HSPR	Housing starts, total
ID0HSPRS1@A	Adjusted housing starts, single units
ID0HSPRS2A@A	Adjusted housing starts, multiple units
ID0IP26&27	Industrial production index, paper, printing, and publishing, 1992=1.0
ID0IP32&34	Industrial production index, stone, clay, glass, and concrete products and fabricated metals, 1992=1.0
ID0IPMFDNEC	Industrial production index, other durable manufacturing, 1992=1.0
ID0KHU	Housing stock, total
ID0KHU1	Housing stock, single units
ID0KHU2A	Housing stock, multiple units
ID0NB	Number of births
ID0ND	Number of deaths
ID0NEW	Employment on nonagricultural payrolls, total
ID0NEW10	Employment in metal mining
ID0NEW20	Employment in food processing
ID0NEW20@203	Employment in food processing, except canned, cured, and frozen
ID0NEW203	Employment in food processing, canned, cured, and frozen
ID0NEW24	Employment in lumber and wood products
ID0NEW26&27	Employment in paper, printing, and publishing
ID0NEW28	Employment in chemicals and allied products
ID0NEW32&34	Employment in stone, clay, glass, and concrete products and fabricated metals
ID0NEW35	Employment in nonelectrical machinery
ID0NEW36	Employment in electrical machinery
ID0NEWCC	Employment in construction
ID0NEWFIR	Employment in finance, insurance, and real estate
ID0NEWGOOD	Employment in goods-producing sectors
ID0NEWGV	Employment in government
ID0NEWGVF	Employment in federal government
ID0NEWGVSL	Employment in state and local government
ID0NEWGVSL@ED	Employment in state and local government, except education
ID0NEWGVSLED	Employment in state and local government, education
ID0NEWMF	Employment in manufacturing
ID0NEWMFD	Employment in durable manufacturing
ID0NEWMFDNEC	Employment in other durable manufacturing
ID0NEWMFN	Employment in nondurable manufacturing
ID0NEWMFNNEC	Employment in other nondurable manufacturing
ID0NEWMG	Employment in mining
ID0NEWMG@10	Employment in mining, except metal mining
ID0NEWNGOOD	Employment in service-producing sectors
ID0NEWNM	Employment in nonmanufacturing

ID0NEWSV	Employment in services
ID0NEWTCU	Employment in communications, transportation, and public utilities
ID0NEWWR	Employment in trade
ID0NMG	Net in-migration of persons
ID0NPT	Resident population
ID0WBB$	Wage and salary disbursements
ID0WBBCC$	Wage and salary disbursements, construction
ID0WBBF$	Wage and salary disbursements, farm
ID0WBBMF$	Wage and salary disbursements, manufacturing
ID0WBBMIL$	Wage and salary disbursements, military
ID0WBBOTH$	Wage and salary disbursements, except farm, manufacturing, and construction
ID0WRWCC$	Average annual wage, construction
ID0WRWMF$	Average annual wage, manufacturing
ID0WRWOTH$	Average annual wage, except manufacturing, construction, and farm
ID0YDIR$	Dividend, interest, and rent income
ID0YFC$	Corporate farm income
ID0YINV&R$	Farm inventory value changes, imputed rent, and income
ID0YP	Total personal income, 1992 dollars
ID0YP$	Total personal income
ID0YPNF	Nonfarm personal income, 1992 dollars
ID0YPNF$	Nonfarm personal income
ID0YPNFPC	Per capita nonfarm income, 1992 dollars
ID0YPRF$	Net farm proprietors' income
ID0YPRNF$	Nonfarm proprietors' income
ID0YPTXB	Tax base, 1992 dollars
ID0YRA$	Residence adjustment, personal income
ID0YSI$	Contributions for social insurance
ID0YSUP$	Other labor income
ID0YTR$	Transfer payments to persons
ID0YTRF$	Government payments to Idaho farmers
YPADJ@ID	Adjusted total personal income

EXOGENOUS VARIABLES

CNCS96C	Personal consumption expenditures, clothing and shoes, 1996 dollars, chain weighted
CNFOOD96C	Personal consumption expenditures, food, 1996 dollars, chain weighted
CNOTH96C	Personal consumption expenditures, other nondurable goods, 1996 dollars, chain weighted
CRCATCVS	Cash receipts, U.S. cattle and calves
CRCROP	Cash receipts, U.S. crops
DIV	Dividends
DUM801884 DUM821ON DUM841ON DUM861ON DUM861884 DUM871ON DUM951ON DUM981ON TIME	These are dummy variables used in regression equations for the purpose of capturing the impacts of discrete economic or noneconomic event such as SIC code changes, strikes, plant opening, or closures, unusual weather conditions, etc.
E20	Employment in food processing
E24	Employment in lumber and wood products
E26	Employment in paper and paper products
E27	Employment in printing and publishing
E28	Employment in chemicals
E32	Employment in stone, clay, and glass
E34	Employment in fabricated metals
E35	Employment in nonelectrical machinery
E36	Employment in electrical machinery
EEA	Total nonagricultural employment
EGF	Employment in federal government
EMD	Employment in durable manufacturing
EMI	Employment in mining
EMN	Employment in nondurable manufacturing
GFMLWSS@FAC	Federal government consumption of general government employment
GF96C	Federal government purchases, 1996 dollars, chain weighted
GFO96C	Federal government purchases, nondefense, 1996 dollars, chain weighted
JQIND20	Industrial production index, food products, 1996=1.0
JQIND201@7A9	Industrial production index, food except beverages, 1996=1.0
JQIND24	Industrial production index, wood and lumber products, 1996=1.0
JQIND25	Industrial production index, furniture and fixtures, 1996=1.0
JQIND26	Industrial production index, paper and paper products, 1996=1.0
JQIND27	Industrial production index, printing and publishing, 1996=1.0
JQIND287	Industrial production index, agricultural chemicals, 1996=1.0
JQIND32	Industrial production index, stone, clay, and glass products, 1996=1.0
JQIND33	Industrial production index, primary metals, 1996=1.0

JQIND333@9	Industrial production index, nonferrous metals, 1996=1.0
JQIND34	Industrial production index, fabricated metal products, 1996=1.0
JQIND357	Industrial production index, office and computing equipment, 1996=1.0
JQIND367	Industrial production index, electric components, 1996=1.0
JQIND37	Industrial production index, transportation equipment, 1996=1.0
JQIND39	Industrial production index, miscellaneous manufactures, 1996=1.0
JRWSSNF	Index of compensation per hour, nonfarm business sector, 1992=1.0
N	Population, U.S.
N16A	Population, U.S., aged 16 and older
PCWC	Implicit price deflator, personal consumption, 1996=1.0, chain weighted
RMMTGENS	Effective conventional mortgage rate, existing homes, combined lenders
TRF$	Government payments to U.S. farms
TWPER	Personal contributions for social insurance, U.S.
VAIDGF@SL	Federal grants-in-aid to state and local governments
VGF@PER	Federal transfer payments to persons, U.S.
VGSL@PER	State and local transfer payments to persons, U.S.
WPI01	Producer price index, farm products, 1982=1.0
WPI02	Producer price index, processed foods and feeds, 1982=1.0
WPI08	Producer price index, lumber and wood products, 1982=1.0
WPI10	Producer price index, metals and metal products, 1982=1.0
WSD	Wage and salary disbursements
YENTNFADJ	Nonfarm proprietors' income (with inventory valuation and capital consumption adjustments)
YINTPER	Personal interest income
YOL	Other labor income, U.S.
YP	Personal income
YRENTADJ	Rental income of persons with capital consumption adjustment